

**ALS UNITED CONNECTICUT  
f/k/a ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.**

**Financial Statements**

January 31, 2024 and 2023

**ALS UNITED CONNECTICUT**  
**f/k/a ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.**  
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# Simione Macca & Larrow<sup>LLP</sup>



CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

"On Balance, We Offer You More."

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
ALS United Connecticut  
f/k/a ALS Association, Connecticut Chapter, Inc.  
Milford, Connecticut

### Opinion

We have audited the accompanying financial statements of ALS United Connecticut f/k/a ALS Association, Connecticut Chapter, Inc. (a nonprofit organization), which comprise the statements of financial position as of January 31, 2024 and 2023, 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 United Connecticut f/k/a ALS Association, Connecticut Chapter, Inc. as of January 31, 2024 and 2023, 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 United Connecticut f/k/a 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.

**INDEPENDENT AUDITORS' REPORT**  
(Continued)

**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 ALS United Connecticut f/k/a 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 auditors' 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.

**INDEPENDENT AUDITORS' REPORT**  
(Continued)

- 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 United Connecticut f/k/a 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ALS United Connecticut f/k/a 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.

*Simione Macca & Larrow LLP*

Wallingford, Connecticut  
July 1, 2024

**ALS UNITED CONNECTICUT**  
**f/k/a ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**January 31, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 135,415	\$ 235,339
Contribution and other receivables	15,675	79,538
Marketable securities	2,142,364	1,881,468
Prepaid expenses	5,782	25,730
<b>Total Current Assets</b>	2,299,236	2,222,075
<b>PROPERTY AND EQUIPMENT</b>	150,252	130,882
<b>OTHER ASSETS</b>		
Right-of-use asset, operating lease	50,471	87,602
Security deposit	1,500	1,500
<b>Total Other Assets</b>	51,971	89,102
<b>Total Assets</b>	\$ 2,501,459	\$ 2,442,059
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,867	\$ 33,958
Accrued expenses	50,520	60,090
Current obligations under operating lease	38,730	36,968
Due to National ALS	-	50,170
<b>Total Current Liabilities</b>	91,117	181,186
<b>OPERATING LEASE LIABILITY</b>	13,180	51,909
<b>Total Liabilities</b>	104,297	233,095
<b>NET ASSETS</b>		
Net assets without donor restrictions	2,380,774	2,069,845
Net assets with donor restrictions	16,388	139,119
<b>Total Net Assets</b>	2,397,162	2,208,964
<b>Total Liabilities and Net Assets</b>	\$ 2,501,459	\$ 2,442,059

See notes to financial statements.

**ALS UNITED CONNECTICUT**  
**f/k/a ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**Years Ended January 31, 2024 and 2023**

	2024			2023		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUES AND SUPPORT</b>						
Contributions, grants, and other revenue	\$ 579,226	\$ 222,242	\$ 801,468	\$ 683,276	\$ 105,781	\$ 789,057
In-kind contributions	69,000	-	69,000	33,000	-	33,000
Special event revenue	499,993	-	499,993	403,491	-	403,491
Less costs of direct benefit to donors	(24,195)	-	(24,195)	(17,234)	-	(17,234)
Investment income	128,896	-	128,896	(94,850)	-	(94,850)
Other income	208,250	-	208,250	-	-	-
Net assets released from restrictions:						
Satisfaction of program restrictions	344,973	(344,973)	-	187,404	(187,404)	-
<b>Total Revenues and Support</b>	<u>1,806,143</u>	<u>(122,731)</u>	<u>1,683,412</u>	<u>1,195,087</u>	<u>(81,623)</u>	<u>1,113,464</u>
<b>EXPENSES</b>						
Program services	1,176,677	-	1,176,677	1,119,765	-	1,119,765
Management and general	187,921	-	187,921	166,679	-	166,679
Fundraising	130,616	-	130,616	158,066	-	158,066
<b>Total Expenses</b>	<u>1,495,214</u>	<u>-</u>	<u>1,495,214</u>	<u>1,444,510</u>	<u>-</u>	<u>1,444,510</u>
Change in net assets	310,929	(122,731)	188,198	(249,423)	(81,623)	(331,046)
NET ASSETS, Beginning	<u>2,069,845</u>	<u>139,119</u>	<u>2,208,964</u>	<u>2,319,268</u>	<u>220,742</u>	<u>2,540,010</u>
NET ASSETS, Ending	<u>\$ 2,380,774</u>	<u>\$ 16,388</u>	<u>\$ 2,397,162</u>	<u>\$ 2,069,845</u>	<u>\$ 139,119</u>	<u>\$ 2,208,964</u>

See notes to financial statements.

**ALS UNITED CONNECTICUT**  
**f/k/a ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended January 31, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 188,198	\$ (331,046)
Adjustments needed to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	49,630	35,367
Reduction in carrying amount of right-of-use asset	37,131	36,713
Unrealized loss (gain) on marketable securities	(56,843)	141,852
Donated stock	(108,676)	(71,794)
Donated property and equipment	(69,000)	(33,000)
Changes in operating assets and liabilities:		
Accounts receivable	63,863	(38,794)
Prepaid expenses	19,948	(14,917)
Accounts payable	(32,091)	7,326
Accrued expenses	(9,570)	12,721
Operating lease liability	(36,967)	(35,438)
Due to National ALS	(50,170)	8,246
<b>Net Cash Used in Operating Activities</b>	<b>(4,547)</b>	<b>(282,764)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales (purchases) of marketable securities	(95,377)	365,868
Purchases of property and equipment	-	(45,770)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(95,377)</b>	<b>320,098</b>
Net increase (decrease) in cash and cash equivalents	(99,924)	37,334
CASH AND CASH EQUIVALENTS, Beginning	235,339	198,005
CASH AND CASH EQUIVALENTS, Ending	\$ 135,415	\$ 235,339

See notes to financial statements.



**ALS UNITED CONNECTICUT**  
**f/k/a ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended January 31, 2024**

	<u>Program Services</u>			<u>Supporting Services</u>		
	Patient & Community Support	Public & Professional Education & Awareness	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 261,940	\$ 114,940	\$ 376,880	\$ 72,110	\$ 72,398	\$ 521,388
Patient and family support	241,186	103,365	344,551	-	-	344,551
Loan Closet equipment and repairs	176,537	-	176,537	-	-	176,537
Professional fees	-	-	-	87,604	-	87,604
Website and technology	24,202	24,202	48,404	-	12,102	60,506
Depreciation	49,630	-	49,630	-	-	49,630
Remittance to National ALS	33,105	14,188	47,293	-	-	47,293
Payroll taxes	21,422	9,426	30,848	5,998	5,998	42,844
Lease expense	16,089	8,811	24,900	5,746	7,661	38,307
Other employee benefits	20,868	8,840	29,708	2,980	1,828	34,516
Credit card fees	-	6,726	6,726	-	17,100	23,826
Insurance	9,790	5,362	15,152	3,497	4,662	23,311
Office and miscellaneous	7,824	4,285	12,109	2,794	3,726	18,629
Rent and utilities	3,289	1,801	5,090	1,175	1,566	7,831
Supplies	1,374	1,374	2,748	1,374	1,374	5,496
Telephone	1,933	1,059	2,992	690	921	4,603
Postage and shipping	1,348	674	2,022	505	842	3,369
Payroll processing	-	-	-	3,238	-	3,238
Printing	399	199	598	149	249	996
Travel	183	177	360	61	189	610
Dues and subscriptions	-	129	129	-	-	129
<b>Total Functional Expenses</b>	<b>\$ 871,119</b>	<b>\$ 305,558</b>	<b>\$ 1,176,677</b>	<b>\$ 187,921</b>	<b>\$ 130,616</b>	<b>\$ 1,495,214</b>

See notes to financial statements.

**ALS UNITED CONNECTICUT**  
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**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended January 31, 2023**

	Program Services			Supporting Services		
	Patient & Community Support	Public & Professional Education & Awareness	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 200,724	\$ 106,384	\$ 307,108	\$ 69,381	\$ 92,508	\$ 468,997
Patient and family support	207,989	89,138	297,127	-	-	297,127
Remittance to National ALS	117,960	50,555	168,515	-	-	168,515
Loan Closet equipment and repairs	144,361	-	144,361	-	-	144,361
Professional fees	-	-	-	65,628	-	65,628
Website and technology	21,750	21,750	43,500	-	10,875	54,375
Other employee benefits	16,207	8,875	25,082	5,788	7,718	38,588
Lease expense	16,089	8,811	24,900	5,746	7,661	38,307
Payroll taxes	15,597	8,542	24,139	5,571	7,427	37,137
Depreciation	35,367	-	35,367	-	-	35,367
Office and miscellaneous	8,493	4,651	13,144	3,033	4,044	20,221
Credit card fees	-	3,623	3,623	-	16,506	20,129
Insurance	8,289	4,540	12,829	2,961	3,948	19,738
Supplies	2,936	2,937	5,873	2,937	2,937	11,747
Rent and utilities	3,991	2,186	6,177	1,425	1,901	9,503
Telephone	2,384	1,306	3,690	852	1,135	5,677
Postage and shipping	1,223	611	1,834	459	764	3,057
Payroll processing	-	-	-	2,676	-	2,676
Dues and subscriptions	-	1,294	1,294	-	-	1,294
Travel	275	266	541	92	284	917
Printing	346	173	519	130	217	866
Meetings and conferences	71	71	142	-	141	283
<b>Total Functional Expenses</b>	<b>\$ 804,052</b>	<b>\$ 315,713</b>	<b>\$ 1,119,765</b>	<b>\$ 166,679</b>	<b>\$ 158,066</b>	<b>\$ 1,444,510</b>

See notes to financial statements.

**ALS UNITED CONNECTICUT**  
**f/k/a ALS ASSOCIATION, CONNECTICUT CHAPTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities* - ALS United Connecticut f/k/a ALS Association, Connecticut Chapter, Inc. (the “Organization”) 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 to end ALS. It is the mission of the organization to provide comprehensive support to improve quality of life for people with ALS and their families, while advocating for increased support and advancing innovative research for new treatments and an end to ALS.

ALS United Connecticut is a member of ALS United. ALS United is a membership organization which exists to unite the ALS community in a collaborative approach to foster bold research initiatives, advance national and state advocacy efforts, and provide comprehensive care and support to individuals and families affected by ALS. ALS United was created by 15 organizations that have separated from The ALS Association beginning June 9, 2023 and finalized February 1, 2024. The separation ensured that individual organizations will operate independently, well-positioned to continue effectively addressing the unique needs and responding to key priorities of the local communities they serve. While maintaining autonomy, each organization is committed to close collaboration and will uphold a robust network of information and resource sharing.

The Organization proudly supports promising, unduplicated large-scale scientific endeavors. Through partnerships with local ALS Clinics, the local community, and other research institutions, the Organization is committed to making an impact in the search for treatments and cures.

The Organization is working directly with patients in Connecticut. It is the goal of the Organization 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

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

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Basis of Presentation*** (Continued)

***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.

***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 Organization 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 Organization 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 Organization 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.

**ALS UNITED CONNECTICUT**  
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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property and Equipment*** (Continued) - 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.

***Leases*** - Effective February 1, 2022 the Organization's leases are recorded as right-of-use ("ROU") assets and corresponding liabilities on the balance sheet, measured at the net present value of future lease payments. ROU assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. At inception, leases are classified as either operating or finance. Operating lease expenses are recorded on a straight-line basis as lease expense over the non-cancelable lease term.

The Organization discounts cash flows based on the rate implicit in the lease, however, when that rate is not determinable, rather than use the Organization's incremental borrowing rate, the Organization has elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities.

The Organization does not apply the recognition requirements to any lease with an original term of twelve months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases are recorded on a straight-line basis over the lease term.

***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 Organization 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 Organization'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, 2024 and 2023, donors contributed various medical equipment including power wheelchairs and lifts. The Organization 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

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***In-Kind Contributions*** (Continued) - and lifts was \$69,000 and \$33,000 in the years ended January 31, 2024 and 2023, respectively, based upon purchase price of similar new and used power wheelchairs and lifts. Contributed assets are utilized in patient and community support programs and typically never monetized.

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

***Uncertain Tax Positions*** - Management has determined that the Organization 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 Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. As of January 31, 2024, the Organization'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
Website and technology	Time and effort
Other employee benefits	Time and effort
Lease expense	Time and effort
Payroll taxes	Time and effort
Office and miscellaneous	Time and effort
Credit card fees	Time and effort
Insurance	Time and effort
Supplies	Utility of purchase
Rent and utilities	Time and effort
Telephone	Time and effort
Postage and shipping	Utility of purchase
Travel	Time and effort
Printing	Utility of purchase
Meetings and conferences	Time and effort

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Agency Transactions* - The Organization 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. No such collections were made during the fiscal years ended 2024 or 2023 on behalf of National ALS for research, acting in an agency capacity. These contributions are not recognized as contributions in the books of the Organization.

*Disclosure of Subsequent Events* - Management has evaluated subsequent events through July 1, 2024, 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.

**NOTE 2 - RECENT ACCOUNTING PRONOUNCEMENTS**

Effective February 1, 2022 the Organization adopted the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, Leases (Topic 842) and additional ASUs issued to clarify and update guidance thereon. This standard modifies lease accounting for lessees to increase transparency and comparability, and requires enhanced disclosure surrounding the amount, timing and uncertainty of cash flows arising from leasing agreements. The Organization adopted the new lease standards using the modified retrospective transition method, under which amounts in prior periods presented were not restated. Upon transition to Topic 842, the Organization has elected the package of practical expedients permitted under the transition guidance, which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification, and initial direct lease costs.

During 2022, the Organization adopted FASB ASU No. 2020-07, Not-for-Profit Entities (Topic 958) regarding in-kind contributions. The standard implements a requirement to separately state contributed non-financial assets on the statement of activities and improves on disclosure of the use and the Organization’s policies surrounding contributed non-financial assets. The standard is adopted retrospectively, to all periods presented in these financial statements. The adoption of this standard has no effect on net assets or the changes in net assets as previously presented.

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - CREDIT RISK**

At certain times, the Organization has amounts on deposit with financial institutions in excess of the FDIC insured limit. The Organization 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, 2024, the aggregate cash balances at the financial institutions used by the Organization did not exceed the federally insured limit.

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

**NOTE 4 - MARKETABLE SECURITIES**

The Organization 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 Organization's marketable securities measured at fair value on a recurring basis at January 31, 2024 and 2023:



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**NOTE 4 - MARKETABLE SECURITIES (Continued)**

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 336,373	\$ -	\$ -	\$ 336,373
Mutual funds	<u>1,805,991</u>	<u>-</u>	<u>-</u>	<u>1,805,991</u>
<b>January 31, 2024</b>	<u>\$ 2,142,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,142,364</u>
<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 145,973	\$ -	\$ -	\$ 145,973
Mutual funds	<u>1,735,495</u>	<u>-</u>	<u>-</u>	<u>1,735,495</u>
<b>January 31, 2023</b>	<u>\$ 1,881,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,881,468</u>

**NOTE 5 - AVAILABILITY OF FINANCIAL ASSETS**

The following represents the Organization's financial assets at January 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 135,415	\$ 235,339
Contribution and other receivables	15,675	79,538
Marketable securities	<u>2,142,364</u>	<u>1,881,468</u>
Total financial assets	<u>2,293,454</u>	<u>2,196,345</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	16,388	139,119
Less net assets with purpose restrictions to be met in less than a year	<u>(16,388)</u>	<u>(139,119)</u>
	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,293,454</u>	<u>\$ 2,196,345</u>

The Organization'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.

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**NOTE 6 - PROPERTY AND EQUIPMENT**

The Organization's property and equipment consist of the following:

	2024	2023
Loan Closet equipment	\$ 633,397	\$ 564,397
Office furniture and computers	106,179	106,179
Transportation equipment	45,760	45,760
	785,336	716,336
Less accumulated depreciation	635,084	585,454
<b>Property and Equipment, net</b>	<b>\$ 150,252</b>	<b>\$ 130,882</b>

**NOTE 7 - CONDITIONAL CONTRIBUTIONS**

The Organization 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, 2024, a total of \$194,941 has been spent, with a remaining \$505,059 available to the Organization under this grant. As of January 31, 2024, the Organization was owed \$15,675 of unreimbursed costs.

Through the year ended January 31, 2023, a total of \$164,049 had been spent, with a remaining \$535,951 available to the Organization under this grant. At January 31, 2023, the Organization was owed \$70,538 of unreimbursed costs.

**NOTE 8 - RETIREMENT PLAN**

The Organization 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 \$14,087 and \$11,723 for the years ended January 31, 2024 and 2023, respectively.

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**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available at January 31, 2024 and 2023 for the following purposes:

	2024	2023
Program growth and strategy development	\$ -	\$ 82,500
Education, outreach, and support	-	8,935
Technology	-	6,792
Durable equipment	-	23,126
Mobility	15,388	15,936
Other	1,000	1,830
Total Net Assets With Donor Restrictions	\$ 16,388	\$ 139,119

**NOTE 10 - LEASES**

The Organization 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 was renewed for an additional three years through May 31, 2025, with continued rent escalation through June 1, 2024. The lease contains an additional renewal option, however, the Organization has excluded that option from the term of the lease as it cannot be reasonably certain in its determination of whether the option will be exercised.

The Organization has two leases for office equipment, one which is short term in nature and another, considered to be immaterial to the financial statements, with annual payments below the capitalization threshold. These leases are expensed on a straight line basis as payments are made and are included in supplies in the Statements of Functional Expenses. Total expense related to these leases was \$1,758 and \$1,763 for the years ended January 31, 2024 and 2023, respectively.

Total lease expense under the capitalized operating lease arrangement was \$38,307 for the years ended January 31, 2024 and 2023.

Cash paid for the Organization's capitalized operating lease was \$38,143 and \$38,307 for the years ended January 31, 2024 and 2023, respectively.

The weighted average remaining lease term is 1.33 years and 2.33 years as of January 31, 2024 and 2023, respectively. The weighted average the discount rate is 1.63% as of January 31, 2024 and 2023.

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**NOTE 10 - LEASES (Continued)**

As of January 31, 2024, minimum future payments under lease obligations are as follows:

Twelve Months Ending January 31,	Operating Lease	Capital Lease	Total
2025	\$ 39,289	\$ -	\$ 39,289
2026	13,225	-	13,225
Total scheduled payments	52,514	-	52,514
Less imputed interest	604	-	604
Present value of net minimum minimum lease payments	51,910	-	51,910
Less current portion	38,730	-	38,730
Long-term lease liabilities	<u>\$ 13,180</u>	<u>\$ -</u>	<u>\$ 13,180</u>

**NOTE 11 - RELATED PARTY TRANSACTIONS**

The Organization made revenue sharing payments to the National ALS Organization based on a percentage of contributions, excluding contributions made for research which were given in full to the National ALS Organization. During 2024 and 2023, revenue sharing payments to the National ALS Organization were \$47,293 and \$168,515, respectively. As of January 31, 2024 and 2023, the Organization has a payable to the National ALS Association of \$0 and \$50,170, respectively.

As discussed in Note 1, the Organization has separated from the National ALS Organization thereby ceasing the obligation to allocate a portion of its contributions to the National ALS Organization.