

COMPASSIONATE CARE ALS, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009

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FRITZ DEGUGLIELMO LLC
*CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Compassionate Care ALS, Inc.
West Falmouth, Massachusetts

We have audited the accompanying statement of financial position of Compassionate Care ALS, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As explained in Note F to the financial statements, equipment purchased or received via donation, and intended for use in the Organization's programs, is expensed in the financial statements. In our opinion, accounting principles generally accepted in the United States of America require that such equipment be recorded as an asset at the date of acquisition and depreciated accordingly. It was not practicable to determine the effects of the unrecorded equipment on the financial statements.

In our opinion, except for the effects of not recording equipment held for use in programs as an asset, as described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Compassionate Care ALS, Inc. as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Fritz DeGuglielmo LLC

Certified Public Accountants
August 1, 2010

COMPASSIONATE CARE ALS, INC.
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2009

ASSETS

Cash	\$ 127,583
Accounts receivable	1,450
	<u>129,033</u>
Organizational Costs	6,110
Less: Accumulated Amortization	(6,110)
Organizational Costs, Net	<u>-</u>
Property and Equipment	143,802
Less: Accumulated Depreciation	(45,729)
Property and Equipment, Net	<u>98,073</u>
Total Assets	<u><u>\$ 227,106</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 33,553
Accrued expenses	6,443
Loans payable - vehicles	<u>39,344</u>
Total Liabilities	<u>79,340</u>
Net Assets:	
Unrestricted	<u>147,766</u>
Total Net Assets	<u>147,766</u>
Total Liabilities and Net Assets	<u><u>\$ 227,106</u></u>

See accompanying notes to financial statements.

COMPASSIONATE CARE ALS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2009

Unrestricted:

Support, Revenues and Reclassifications:

Public Support and Revenue:

Contributions	\$ 276,927
Grants	92,350
Fundraising Events	269,446
Program Services	51,028
Interest Income	851

Total Support, Revenues and Reclassifications 690,602

Operating Expenses:

Program Services	256,700
Supporting Services:	
Fundraising	156,191
Administrative	90,750

Total Operating Expenses 503,641

Change in Net Assets, before Assistance to Individuals 186,961

Assistance to Individuals:

Donated Services and Supplies	163,330
Less: Assistance to Individuals	<u>(370,185)</u>
	<u>(206,855)</u>

Change in Net Assets (19,894)

Net Assets - Beginning of Year 167,660

Net Assets - End of Year \$ 147,766

See accompanying notes to financial statements.

COMPASSIONATE CARE ALS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Services	Fund- raising	Admin- istration	Total
Director's compensation	\$ 79,800	\$ 17,100	\$ 17,100	\$ 114,000
Payroll expenses	25,960	1,308	1,308	28,576
Benefits	8,438	-	-	8,438
Program Support	47,356	-	-	47,356
Depreciation	23,688	-	-	23,688
Education and outreach	6,466	-	-	6,466
Insurance	7,172	-	1,934	9,106
Interest	2,985	-	472	3,457
Marketing and website	3,043	3,640	533	7,216
Occupancy and telephone	1,699	21	5,191	6,911
Office supplies and expense	1,283	480	2,007	3,770
Other	534	-	795	1,329
Postage and delivery	2,594	5,267	4,638	12,499
Printing	2,145	14,729	15,857	32,731
Professional fees	6,958	33,566	40,915	81,439
Special events	-	76,243	-	76,243
Travel	36,579	3,837	-	40,416
Total operating expenses	256,700	156,191	90,750	503,641
Assistance to individuals	370,185	-	-	370,185
	<u>\$ 626,885</u>	<u>\$ 156,191</u>	<u>\$ 90,750</u>	<u>\$ 873,826</u>

See accompanying notes to financial statements.

COMPASSIONATE CARE ALS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2009

Cash Flows From Operating Activities:	
Change in net assets	\$ (19,894)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation	23,688
Increase in accounts receivable	(200)
Increase in accounts payable and accrued expenses	<u>2,315</u>
Net cash provided by operating activities	<u>5,909</u>
Cash Flows From Investing Activities -	
Purchase of property & equipment	<u>(46,957)</u>
Net cash used in investing activities	<u>(46,957)</u>
Cash Flows From Financing Activities -	
Borrowing of loan payable - vehicles	11,629
Repayment of loan payable - vehicles	<u>(6,671)</u>
Net cash used in financing activities	<u>4,958</u>
Net increase (decrease) in Cash	(36,090)
Cash at Beginning of Year	<u>163,673</u>
Cash at End of Year	<u><u>\$ 127,583</u></u>
Supplemental Disclosures:	
Interest Paid	<u>\$ 3,457</u>
Income Taxes Paid	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

COMPASSIONATE CARE ALS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

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.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization prepares its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets as defined below:

Unrestricted Net Assets – consists of assets, public support and program revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets – includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and is satisfied either by the passage of time or by actions of the Organization. Resources of this nature originate from gifts, grants, bequests, contracts and investment incomes earned on restricted funds.

Permanently Restricted Net Assets – includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the Organization to expend part or all of the income derived from the donated assets.

Recognition of Donor-restricted Contributions

The Organization reports gifts of cash and other assets as restricted support 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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted contributions received and expended in accordance with the donor's restrictions in the same fiscal year are recognized as unrestricted public support in these financial statements.

COMPASSIONATE CARE ALS, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2009

NOTE B – *continued*

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 \$500. 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, 2009 is as follows:

	Estimated <u>Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Computer Equipment	3	\$ 3,882	\$ 3,882
Website	3	3,000	1,500
Motor Vehicles	5	<u>136,920</u>	<u>40,347</u>
		<u>\$ 143,802</u>	<u>\$ 45,729</u>

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.

Functional Expenses

Compassionate Care ALS, Inc. allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases used in conjunction with the Organization’s cost allocation plan.

Supporting services are those related to operating and managing Compassionate Care ALS, Inc. and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Management and General – includes all activities related to Compassionate Care ALS, Inc.’s internal management and accounting for program services.

Fundraising – includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for Compassionate Care ALS, Inc.’s programs.

COMPASSIONATE CARE ALS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE C – PROGRAM SERVICES

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 D – NOTE PAYABLE

The Organization had a note payable to a financial services company, secured by a vehicle. Monthly payments are \$720 through November 2013, including interest at 8.7%. The balance due under the note, as of December 31, 2009, was \$28,577.

The Organization also had another note payable to a financial services company, secured by a vehicle. Monthly payments are \$274 through August 2013, including interest at 6%. The balance due under the note, as of December 31, 2009, was \$10,767.

Maturities of long-term debt are as follows:

2010	\$ 9,103
2011	9,856
2012	10,666
2013	<u>9,719</u>
	<u>\$39,344</u>

COMPASSIONATE CARE ALS INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE E – DONATED EQUIPMENT

Contributions of donated assets and equipment for use by individuals and families with ALS or other terminal illnesses are recognized at their fair market values in the period received. Typically, the equipment is designated by the donor to be given to an individual with terminal illnesses. Accordingly, the equipment is recorded as assistance to individuals. During 2009, donated equipment consisted of equipment donated and provided to individuals with an estimated value of \$163,330.

NOTE F – EQUIPMENT FOR USE IN PROGRAMS

Subsequent to December 31, 2009, the Board of Directors of the Organization determined that all equipment intended for use in the Organization's programs to be considered equipment owned by the Organization, unless title is specifically transferred to the individual. An accurate valuation of the equipment as of December 31, 2009 could not be performed, and therefore, a value of the equipment has not been recorded as an asset in these financial statements.