

**ALS UNITED OHIO, INC.**

FINANCIAL STATEMENTS

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January 31, 2024 and 2023

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**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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## ***INDEPENDENT AUDITOR'S REPORT***

To the Board of Directors  
ALS United Ohio, Inc.  
Columbus, Ohio

### ***Opinion***

We have audited the accompanying financial statements of ALS United Ohio, Inc. (a corporation, not-for-profit), which comprise the statements of financial position as of January 31, 2024 and 2023, and the related statements of activities and net assets, functional expenses, and cash flows 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 Ohio, Inc., as of January 31, 2024 and 2023, and the results of its activities 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 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 ALS United Ohio, 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 ALS United Ohio, 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.

***Auditor's Responsibilities for the Audit of the Financial Statements - Continued***

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ALS United Ohio, 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 Ohio, 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.

Columbus, Ohio  
August 1, 2024

*BHM CPA Group, Inc.*

# ALS UNITED OHIO, INC.

## STATEMENTS OF FINANCIAL POSITION

January 31, 2024 and 2023

<b>ASSETS</b>	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,449,677	\$ 982,955
Marketable securities	52,881	46,920
<b>TOTAL CURRENT ASSETS</b>	<b>1,502,558</b>	<b>1,029,875</b>
<b>BOARD-DESIGNATED ASSETS</b>		
Cash and cash equivalents	57,075	51,140
Marketable securities	2,881,947	2,992,579
<b>TOTAL BOARD-DESIGNATED ASSETS</b>	<b>2,939,022</b>	<b>3,043,719</b>
<b>OTHER ASSETS</b>		
Right of use asset, net of accumulated amortization of \$56,484 (\$20,937 for 2023)	89,508	125,055
<b>TOTAL OTHER ASSETS</b>	<b>89,508</b>	<b>125,055</b>
 <b>PROPERTY AND EQUIPMENT, NET</b>	 <b>312,755</b>	 <b>322,737</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 4,843,843</b>	 <b>\$ 4,521,386</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Revenue sharing payable to the national affiliate	\$ -	\$ 78,571
Accrued expenses and payroll liabilities	32,334	21,019
Current portion of right of use liability	38,384	36,913
<b>TOTAL CURRENT LIABILITIES</b>	<b>70,718</b>	<b>136,503</b>
<b>NONCURRENT LIABILITIES</b>		
Noncurrent portion of right of use liability	51,124	88,142
<b>NET ASSETS</b>		
Net assets without donor restrictions	4,722,001	4,296,741
<b>TOTAL NET ASSETS</b>	<b>4,722,001</b>	<b>4,296,741</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 4,843,843</b>	 <b>\$ 4,521,386</b>

The accompanying notes are an integral part of these financial statements.

# ALS UNITED OHIO, INC.

## STATEMENTS OF ACTIVITIES AND NET ASSETS

For the Years Ended January 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Contributions and memorial gifts	\$ 1,315,969	\$ 507,360
Special event fundraisers	890,178	728,752
<b>Total revenues</b>	<u>2,206,147</u>	<u>1,236,112</u>
<b>Expenses</b>		
Program services	1,701,753	1,424,142
Management and general	90,356	132,315
Fundraising	229,724	244,261
<b>Total expenses</b>	<u>2,021,833</u>	<u>1,800,718</u>
<b>Excess of revenues (expenses)</b>	<u>184,314</u>	<u>(564,606)</u>
<b>Other income</b>		
Interest and dividend income	28,803	96,057
Net realized gain on disposition of investments	34,098	112,780
Unrealized gain (loss) on investments	74,503	(372,373)
Donations of equipment	103,542	87,085
<b>Total other income (loss)</b>	<u>240,946</u>	<u>(76,451)</u>
<b>Change in net assets</b>	425,260	(641,057)
<b>Net assets at beginning of period</b>	<u>4,296,741</u>	<u>4,937,798</u>
<b>Net assets at end of period</b>	<u>\$ 4,722,001</u>	<u>\$ 4,296,741</u>

The accompanying notes are an integral part of these financial statements.

# ALS UNITED OHIO, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended January 31, 2024

	<b>Program Services</b>			<b>Total Program Services</b>	<b>Supporting Services</b>	
	<b>Patient Services and Support</b>	<b>Public Awareness</b>	<b>Advocacy and Research</b>		<b>Management and General</b>	<b>Fundraising</b>
Salaries and wages	\$ 479,359	\$ 124,709	\$ -	\$ 604,068	\$ 46,852	\$ 122,963
Payroll taxes	31,264	10,181	-	41,445	3,841	9,810
Employee benefits	62,847	10,474	-	73,321	4,029	3,223
Patient grant program	216,334	-	-	216,334	-	-
Support group coordinators	261	391	-	652	261	390
Supplies	54,707	59,796	-	114,503	12,723	-
Telephone	73	110	-	183	73	109
Postage and shipping	4,464	6,697	-	11,161	4,464	6,697
Printing and publications	220	331	-	551	220	331
Conferences, staff training and advocacy	1,041	-	1,041	2,082	231	-
Depreciation	110,023	3,146	-	113,169	698	-
Bank charges	-	-	-	-	-	23,118
Patient equipment	53,634	20,857	-	74,491	-	-
Research	150,000	-	-	150,000	-	-
Special event	-	30,094	-	30,094	9,206	52,759
Revenue sharing with the national affiliate	7,382	3,530	15,405	26,317	1,605	4,172
Rent (including storage)	18,459	18,459	-	36,918	6,153	6,152
Other	206,464	-	-	206,464	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 1,396,532</b>	<b>\$ 288,775</b>	<b>\$ 16,446</b>	<b>\$ 1,701,753</b>	<b>\$ 90,356</b>	<b>\$ 229,724</b>

The accompanying notes are an integral part of these financial statements.

## ALS UNITED OHIO, INC.

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended January 31, 2023

	<u>Program Services</u>			<u>Total Program Services</u>	<u>Supporting Services</u>	
	<u>Patient Services and Support</u>	<u>Public Awareness</u>	<u>Advocacy and Research</u>		<u>Management and General</u>	<u>Fundraising</u>
Salaries and wages	\$ 448,218	\$ 126,134	\$ -	\$ 574,352	\$ 45,996	\$ 124,382
Payroll taxes	27,615	10,440	-	38,055	3,827	10,335
Employee benefits	56,891	9,270	-	66,161	3,873	3,288
Patient grant program	199,851	-	-	199,851	-	-
Support group coordinators	402	-	-	1,006	402	604
Supplies	21,328	23,256	-	44,584	4,796	502
Telephone	-	2,377	-	5,943	2,377	3,567
Postage and shipping	4,201	6,301	-	10,502	4,201	6,302
Printing and publications	5,007	7,510	-	12,517	5,007	7,509
Conferences, staff training and advocacy	570	48	522	1,140	132	16
Depreciation	91,646	3,146	-	94,792	698	-
Bank charges	-	-	-	-	21,160	-
Patient equipment	18,981	7,333	-	26,314	-	-
Special event	-	18,814	-	18,814	5,755	32,984
Mileage and meal reimbursement	101	-	-	101	4	20
Revenue sharing with the national affiliate	54,602	26,114	113,952	194,668	11,395	31,338
Rent (including storage)	17,575	17,575	-	35,150	5,858	5,858
Other	49,432	50,760	-	100,192	16,834	17,556
<b><i>TOTAL EXPENSES</i></b>	<b><u>\$ 996,420</u></b>	<b><u>\$ 309,078</u></b>	<b><u>\$ 114,474</u></b>	<b><u>\$ 1,424,142</u></b>	<b><u>\$ 132,315</u></b>	<b><u>\$ 244,261</u></b>

The accompanying notes are an integral part of these financial statements.

# ALS UNITED OHIO, INC.

## STATEMENTS OF CASH FLOWS

For the Years Ended January 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 425,260	\$ (641,057)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation of property and equipment	113,867	95,490
Donations of equipment	(103,542)	(87,085)
Net realized gain on disposition of investments	(34,098)	(112,780)
Unrealized (gain) loss on investments	(74,503)	372,373
Changes in assets and liabilities:		
Revenue sharing payable to the national affiliate	(78,571)	16,396
Accounts payable	-	(9,785)
Accrued expenses and payroll liabilities	11,315	3,074
<b>Net cash provided (used) by operating activities</b>	<u>259,728</u>	<u>(363,374)</u>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(343)	(68,363)
Purchase of marketable securities	-	(86,914)
Proceeds from sale of marketable securities	213,272	200,000
<b>Net cash provided by investing activities</b>	<u>212,929</u>	<u>44,723</u>
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
 Net change in cash and cash equivalents	472,657	(318,651)
Cash and cash equivalents at beginning of year	<u>1,034,095</u>	<u>1,352,746</u>
 <b>Cash and cash equivalents at end of year</b>	<u>\$ 1,506,752</u>	<u>\$ 1,034,095</u>

The accompanying notes are an integral part of these financial statements.

# ALS UNITED OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS

January 31, 2024 and 2023

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### **NATURE OF ORGANIZATION**

ALS United Ohio, Inc. (the Organization) was founded in 1984 as an Ohio not-for-profit organization. The Organization's mission is to provide comprehensive support and advocacy for people with ALS and their families, while advancing research for new treatments and an end to ALS.

### **CHANGE OF COMPANY NAME AND AFFILIATION**

During the year ended January 31, 2024, the Organization changed its name from the Amyotrophic Lateral Sclerosis Association – Central and Southern Ohio Chapter to ALS United Ohio, Inc. This change was registered with the appropriate regulatory authorities and is reflected in all relevant legal documents and records. The Organization is no longer a member of the Amyotrophic Lateral Association.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Presentation**

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and those common to not-for-profit organizations. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

#### **Investments**

The Organization's investments consist of marketable securities and are presented at fair value based on published market prices. Realized and unrealized gains and losses are included in the statements of activities. Cost, fair value and unrealized gain at January 31, 2024 and 2023 were as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
January 31, 2024			
Marketable securities	\$ 11,441	\$ 52,881	\$ 41,440
Board-designated marketable securities	<u>2,848,884</u>	<u>2,881,947</u>	<u>33,063</u>
Total	<u>\$ 2,860,325</u>	<u>\$ 2,934,828</u>	<u>\$ 74,503</u>
January 31, 2023			
Marketable securities	\$ 11,441	\$ 46,920	\$ 35,479
Board-designated marketable securities	<u>3,400,431</u>	<u>2,992,579</u>	<u>(407,852)</u>
Total	<u>\$ 3,411,872</u>	<u>\$ 3,039,499</u>	<u>\$ (372,373)</u>

The Organization periodically monitors its investments for impairment and recognizes an impairment charge when the decline in fair value is determined to be other-than-temporary. No impairments have been recorded in either year presented.

#### **Property and Equipment**

Property and equipment are recorded at cost or, if donated, at fair value at the date of donation (not to exceed the appraised value of the related assets). Depreciation for financial reporting purposes is computed using straight-line methods over the estimated useful lives of the assets. All purchases or donations of property and equipment over \$1,000 are capitalized and those under \$1,000 are recorded as expense, usually as patient equipment.

# ALS UNITED OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

January 31, 2024 and 2023

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

#### **Property and Equipment - Continued**

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable. An impairment loss would be recognized in operations for the amount that the carrying value of an asset or asset group exceeds its fair value determined using applicable accounting standards. No impairment losses were recognized in either year presented.

Property and equipment consist of the following:

	<u>2023</u>	<u>2022</u>
Office equipment	\$ 128,343	\$ 128,343
Patient services equipment	923,789	820,247
Less accumulated depreciation	<u>(739,377)</u>	<u>(625,853)</u>
Net property and equipment	<u>\$ 312,755</u>	<u>\$ 322,737</u>

Depreciation expense for the years ended January 31, 2024 and 2023 totaled \$113,867 and \$95,490, respectively.

#### **Compensated Absences**

Eligible employees receive paid vacation and sick days based on years of service. Employees may accumulate and carry over a maximum of forty hours which is included in accrued expenses.

#### **Income Taxes**

The Organization qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in the financial statements.

The Organization complies with Accounting Standards Codification (ASC) 740-10 related to uncertain tax positions. ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. Management is not aware of any tax positions taken on its tax returns that they consider to be uncertain. Tax returns for 2021, 2022 and 2023 are open and subject to examination by the Internal Revenue Service.

#### **Net Assets**

In accordance with generally accepted accounting principles and those common for not-for-profit organizations, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. None of the Organization's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets without donor restriction.

#### **Revenue and Expense Recognition**

Revenues are recognized at the time services are provided to the customer including event admission, event sponsorships, and other revenues, usually determined by when the actual service is provided, collection of the related receivable is probable, evidence of an arrangement exists, and sales price is determinable. The Organization generally meets its performance obligations related to the services provided within a year of the contract initiation. Payment for the Organization's products and events are due in advance of the event or upon delivery of the service. The sales price for the goods and events are fixed at the amounts established in a contract. There are generally no rights of return or warranties related to the sale of the products and services.

# ALS UNITED OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

January 31, 2024 and 2023

### ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued***

#### ***Revenue and Expense Recognition - Continued***

Donations are recorded in accordance with ASC 958-605 as they do not represent a contract with a customer. Revenues are included in activities in the period in which they are earned or, in the case of donations, when an unconditional pledge or contribution is received. Revenues received for specific purposes are used in accordance with donor or grantor restrictions. Expenses are included in activities in the period they are incurred.

The table below includes disaggregated revenue information by significant fundraising events during the years ended January 31:

	<u>2023</u>	<u>2022</u>
<b><i>Special event fundraising revenue</i></b>		
Walk to defeat ALS	\$ 801,011	\$ 713,071
Community partner events	70,437	13,973
One dollar difference	115	-
Farm to table	12,221	-
Strike out ALS	6,394	1,708
<b><i>Total special event fundraising revenue</i></b>	<u>\$ 890,178</u>	<u>\$ 728,752</u>

#### ***Donated Services***

The Organization receives donated services from unpaid volunteers who assist in administration of the Organization, fundraising, and special projects. The value of this contributed time is not reflected in these financial statements since it is not susceptible to objective measurement or valuation.

#### ***Patient Grant Program***

The Organization offers a patient grant program to provide grants to support patients. Total grants expensed were \$216,334 and \$199,851 during the years ended January 31, 2024 and 2023, respectively. Grants were paid based upon eligibility applications that were reviewed and approved by Organization management.

#### ***Advertising Expense***

Advertising costs are expensed as incurred. There were no amounts charged for advertising in the statement of activities and net assets for the years ended January 31, 2024 and 2023.

#### ***Liquidity Management***

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,506,752
Investments	<u>2,934,828</u>
Total	<u>\$ 4,441,580</u>

Those assets are sufficient to meet ordinary business expenses in excess of one year. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. As part of its liquidity management, the Organization invests in short-term investments to provide access to cash for unanticipated expenses effecting continuing operations, fund near-term strategic initiatives, and to manage investment risk.

# ALS UNITED OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

January 31, 2024 and 2023

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### ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued***

#### ***Statement of Cash Flows***

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents. There were no payments for interest or income taxes for the years ended January 31, 2024 and 2023.

#### ***Concentration of Credit Risk***

The Organization's "Walk to Defeat ALS" fundraiser (\$801,011 and \$713,071 for the years ended January 31, 2024 and 2023, respectively) represented 90% and 98% of the total special event fundraising revenue for the years ended January 31, 2024 and 2023, respectively.

The Organization maintains its demand deposits in various financial institutions. Accounts at most of the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At January 31, 2024 and 2023, the Organization's uninsured cash balances total \$947,384 and \$615,783, respectively. The Organization utilizes reputable financial institutions and continually monitors its risk related to deposits in excess of insured amounts.

#### ***Use of Estimates***

The preparation of financial statements in conformity with the accrual basis of accounting requires management to make estimates and assumptions that affect the reported amounts at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

#### ***Recently Adopted Accounting Standards***

The Organization adopted the Accounting Standards Update (ASU) No. 2016-13, and additional ASUs issued to clarify and update the guidance in ASU 2016-13. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

### ***RIGHT OF USE ACCOUNTS AND LEASE AGREEMENTS***

The Organization leases office space under an operating lease from an unrelated party. The Organization adopted ASU 2016-02 during the year ended December 31, 2022. In accordance with ASU 2016-02, the Organization used a risk free rate at the time of lease inception (3.65%) to estimate the value of the right of use asset and related liability for these leases. For 2024, the lease calls for monthly payments of ranging from \$3,379 to \$3,515 through April 2026.

Total expense under this operating lease agreement was \$40,278 and \$36,241 for fiscal years ended January 31, 2024 and 2023, respectively. The Organization recognizes short-term leases as they are paid. The Organization does not record a related lease asset or liability for such leases.

# ALS UNITED OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

January 31, 2024 and 2023

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### ***RIGHT OF USE ACCOUNTS AND LEASE AGREEMENTS - Continued***

Required minimum lease payments for the years subsequent to January 30, 2024 are as follows:

2025	\$	41,016
2026		41,837
2027		<u>10,545</u>
Total lease payments		93,399
Less: interest		<u>(3,891)</u>
Present value of lease liabilities	\$	<u>89,508</u>

### ***REVENUE SHARING EXPENSES***

As previously mentioned, the Organization had an agreement that provided for sharing revenue with the Amyotrophic Lateral Sclerosis Association. The agreement ended and the official separation occurred September 1, 2023. The Organization is no longer affiliated with the Amyotrophic Lateral Sclerosis Association and all revenue sharing stopped as of June 9<sup>th</sup>, 2023 based on an agreement between all parties involved.

Revenue sharing expenses for the fiscal years ended January 31, 2024 and 2023 were \$32,094 and \$237,401, respectively.

### ***RETIREMENT PLAN***

The Organization adopted a SIMPLE plan effective September 30, 2002. The plan covers all eligible employees. The Organization contributes a matching contribution equal to the eligible employee's contribution up to a limit of 3% of the employee's compensation for the calendar year. The Organization's contributions for the years ended January 31, 2024 and 2023 were \$13,509 and \$14,555, respectively.

### ***BOARD-DESIGNATED OTHER ASSETS***

The Organization's board-designated endowment was established by the Board of Directors in September of 2012. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization intends to use the endowment's principal and earnings to finance operations and to provide a reserve fund that could be available at the Board of Directors' discretion to offset temporary sharp unanticipated reductions in operating revenue.

The Organization has adopted a conservative investment policy in order to reduce market volatility, yet with sufficient risk to grow at a rate that will exceed inflation and provide some reasonable spending rate to the Organization. This investment policy is achieved through a diversified total return strategy employing both current yield and capital appreciation with normal exposure to market risk. The Fund will be reviewed and rebalancing is considered at least quarterly with a 20 year investment time horizon as a primary factor. The carrying amount of this endowment fund at January 31, 2024 and 2023 was \$2,939,022 and \$3,043,719 respectively.

# ALS UNITED OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

January 31, 2024 and 2023

### FAIR VALUE MEASUREMENTS

The Organization complies with ASC 820 *Fair Value Measurements and Disclosures* to account for and report fair value. ASC 820 provides a single definition of fair value, a framework for measuring fair value and expanded disclosures concerning fair value. The standard defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Fair values of certain assets are determined based on the fair value hierarchy established in this standard, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs are inputs that reflect assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances. The standard describes three levels within its hierarchy that may be used to measure fair value which are:

#### Level 1

Values are based on unadjusted quoted prices in active markets for identical assets or liabilities.

#### Level 2

Values are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, 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

Values are generated from unobservable inputs that are supported by little or no market activity and that are a significant component of the fair value of the assets or liabilities. These unobservable inputs would reflect management's estimates of assumptions that market participants would use in pricing related assets or liabilities. Valuation techniques might include the use of pricing models, discounted cash flow models or similar techniques.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the assets and liabilities included in the balance sheet that are carried at fair value measured on a recurring basis and indicates the level within the fair value hierarchy utilized to determine such value:

		<u>Fair Value Measurements using:</u>			
		<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
January 31, 2024					
Marketable securities	\$	2,934,828	\$ -	\$ 2,934,828	\$ -
January 31, 2023					
Marketable securities	\$	3,039,499	\$ -	\$ 3,039,499	\$ -

# ALS UNITED OHIO, INC.

## NOTES TO FINANCIAL STATEMENTS - Continued

January 31, 2024 and 2023

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### ***FAIR VALUE MEASUREMENTS - Continued***

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the classification of fair value assets and liabilities within the fair value hierarchy levels.

The marketable securities held by the Organization are in the form of mutual funds and equity securities. They are valued based on the values of the underlying securities held by the fund. As a result, they are therefore categorized as Level 2. The carrying value of financial instruments classified as current assets and current liabilities approximate fair value due to the short-term maturity of the instruments.

### ***STATE GRANT***

In May 2023, the Chapter received a \$500,000 grant in state operating support as part of the American Rescue Plan Act. Official language from the ARPA states that the funds are to be used in patient programming "for the expansion of in-home respite care, the purchasing of durable medical equipment and home modifications, and professional services for persons with Amyotrophic Lateral Sclerosis (ALS)". The grant is recorded in contributions and memorial gifts on the statements of activities and net assets during the year ended January 31, 2024.

### ***SUBSEQUENT EVENTS***

Subsequent events were evaluated through August 1, 2024, which is the date the financial statements were available to be issued.