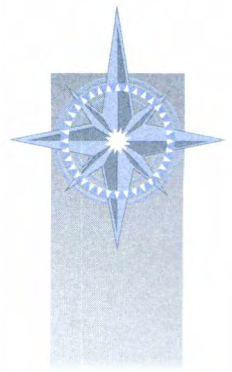


**US PAIN FOUNDATION, INC.**  
a Connecticut Non-Profit Corporation

**AUDITED FINANCIAL STATEMENTS**  
June 30, 2023

**Boisselle, Morton & Wolkowicz, LLP**  
Certified Public Accountants





To the Board of Directors  
**US Pain Foundation, Inc.**  
West Hartford, Connecticut

## **Independent Auditors' Report**

### **Opinion**

We have audited the accompanying financial statements of US Pain Foundation, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the six months 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 US Pain Foundation, Inc. as of June 30, 2023, and the results of its operations and its cash flows for the six months 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of US Pain Foundation, 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.

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 US Pain Foundation, 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, 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 US Pain Foundation, 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 US Pain Foundation, 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.

*Boisselle, Morton & Wolkowicz, LLP*

October 10, 2023  
Hadley, Massachusetts

**US PAIN FOUNDATION, INC.**

## Statement of Financial Position

June 30, 2023

Assets

Current assets	
Cash	\$ 315,494
Grants and donor commitments receivable	168,000
Prepaid and other	4,451
Total current assets	<u>487,945</u>
Equipment, net	1,614
Security deposit	<u>300</u>
Total assets	<u><u>\$ 489,859</u></u>

Liabilities and Net Assets

Current liabilities	
Accounts payable and accrued expenses	\$ 55,691
Accrued payroll	24,850
Total current liabilities	<u>80,541</u>
Net assets	
Net assets without donor restrictions	298,318
Net assets with donor restrictions	<u>111,000</u>
Total net assets	<u>409,318</u>
Total liabilities and net assets	<u><u>\$ 489,859</u></u>

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

**US PAIN FOUNDATION, INC.**

Statement of Activities  
Six Months Ended June 30,2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Grants and contributions	\$ 380,150	\$ 111,000	\$ 491,150
Fundraising	2,259		2,259
In-kind donations	124,225		124,225
Other	24,468		24,468
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>115,000</u>	<u>(115,000)</u>	
Total support and revenue	<u>646,102</u>	<u>(4,000)</u>	<u>642,102</u>
Expenses			
Program	559,922		559,922
General and administrative	29,061		29,061
Fundraising	<u>38,313</u>		<u>38,313</u>
Total expenses	<u>627,296</u>		<u>627,296</u>
Change in net assets before non-operating income	<u>18,806</u>	<u>(4,000)</u>	<u>14,806</u>
Non-operating income			
Interest	71		71
Other Income	<u>1,850</u>		<u>1,850</u>
Total non-operating income	<u>1,921</u>		<u>1,921</u>
Change in net assets	20,727	(4,000)	16,727
Net assets - beginning of period	<u>277,591</u>	<u>115,000</u>	<u>392,591</u>
Net assets - end of period	<u><u>\$ 298,318</u></u>	<u><u>\$ 111,000</u></u>	<u><u>\$ 409,318</u></u>

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

**US PAIN FOUNDATION, INC.**

## Statement of Functional Expenses

Six Months Ended June 30, 2023

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Program costs and services				
Program and event	\$ 70,264			\$ 70,264
In-kind donations	124,225			124,225
General and administrative				
Payroll	221,529	\$ 7,475	\$ 18,898	247,902
Payroll taxes	18,607	633	1,869	21,109
Professional services				
Legal services	7,114	2,158	4,726	13,998
Accounting and audit services		4,672		4,672
Contracted services	41,056	3,037	4,125	48,218
Membership & coalition fees	1,000		1,200	2,200
Conferences	8,535		2,537	11,072
Travel	19,652		617	20,269
Occupancy	1,660	1,339		2,999
Supplies		365	149	514
Communications	22,232	2,182	2,104	26,518
Printing, postage and shipping	6,596	175		6,771
Insurance	7,527	6,676		14,203
Licenses and registrations	9,850		1,760	11,610
Banking and finance fees	75		212	287
Depreciation		174		174
Other expense		175	116	291
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	\$ <u>559,922</u>	\$ <u>29,061</u>	\$ <u>38,313</u>	\$ <u>627,296</u>

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

**US PAIN FOUNDATION, INC.**

## Statement of Cash Flows

Six Months Ended June 30, 2023

Cash flows from operating activities	
Change in net assets	\$ 16,727
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	174
Changes in:	
ERTC Grant Funds received	200,865
Grants and donor commitments receivable	(45,500)
Prepaid and other	124
Accounts payable and accrued expenses	(2,510)
Accrued payroll	18,465
Net cash provided by operating activities	<u>188,345</u>
Net increase in cash	188,345
Cash - beginning of period	<u>127,149</u>
Cash - end of period	<u><u>\$ 315,494</u></u>

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

# US PAIN FOUNDATION, INC.

## Notes to Financial Statements

June 30, 2023

### 1. Summary of Significant Accounting Policies

*Nature of Business:* US Pain Foundation, Inc. ("USPF") is a nonprofit organization that empowers, educates, connects, and advocates for individuals living with chronic illnesses and serious injuries that cause pain, as well as their caregivers and clinicians. Its multiple programs enhance quality of life for people with pain, improve patient outcomes, address access and affordability issues, and increase public awareness and empathy for the issue of pain.

*Tax Exempt Status:* USPF was granted tax exempt status from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). USPF is also exempt from state income taxes. Donors may deduct contributions made to USPF within the IRC requirements. USPF is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. USPF is also subject to income tax on net income that is derived from business activities that are unrelated to USPF's exempt purposes. Management has determined that USPF is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

*Accounting Method:* The financial statements of USPF are prepared on the accrual basis.

*Change in Year End:* In 2023, USPF changed its fiscal year end to June 30 in order to align its revenue recognition with its major funder's donor grant schedules. These financial statements represent a short fiscal year from January 1, 2023 to June 30, 2023.

*Basis of Presentation:* USPF presents its financial statements according to two classes of net assets: those with donor restrictions and those without donor restrictions. Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. The restrictions are temporary in nature and will be met by actions of USPF. All other net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of USPF.

*Receivables and Allowance for Doubtful Accounts:* Grants and donor commitments receivable are recorded at their net present value when unconditionally committed. An allowance for potentially uncollectible grants and contributions, as well as government grants is provided based upon management's assessment of potential defaults, which includes such factors as collection history. Management believes these receivables are collectible and have not established an allowance.

*Equipment:* The cost of equipment is capitalized when more than \$1,000. Expenditures for repairs and maintenance are expensed against revenue as incurred. Depreciation is computed by the straight-line method over the estimated useful lives of the assets from 3 to 7 years.



**US PAIN FOUNDATION, INC.**  
Notes to Financial Statements (Continued)  
June 30, 2023

1. Summary of Significant Accounting Policies (Continued)

*Use of Estimates:* The preparation of financial statements in accordance 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.

*Revenue Recognition:* Grants and contributions are recorded as revenue when received or unconditionally committed. Grants and contributions with a right of return and measurable performance or other barriers are not recognized until the conditions on which they depend have been met. Grants and contributions received with restrictions are recorded as revenue and net assets with donor restrictions when received or unconditionally committed. Transfers are made to net assets without restrictions as costs are incurred to satisfy program restrictions or time restrictions have lapsed. Program service fees and all other revenues are recorded as earned.

*Allocation of Expenses:* Expenses related directly to a program are distributed to that program, while other expenses are allocated to programs based on management's estimate of the percentage attributable to each function based on employee time.

*Advertising:* Advertising and promotional costs are expensed as incurred.

*In-Kind Contributions:* USPF records in-kind contributions at their estimated fair value at the date of the donation. If donors stipulate how long the assets must be used or that they are used for a particular purpose, the contributions are treated as being restricted by the donor.

In-kind contributions are recorded as revenue and expense in the accompanying financial statements.

USPF's policy related to in-kind contributions is to utilize the assets to carry out its mission. If an asset is provided that does not allow the USPF to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU amends certain aspects of presentation and disclosure for in-kind donations, including the requirement that in-kind donations be disaggregated by category and disclosure of the valuation techniques to arrive at the value of in-kind donations. USPF adopted this standard on January 1, 2022 and presents the required disclosures in Note 7.

**US PAIN FOUNDATION, INC.**  
Notes to Financial Statements (Continued)  
June 30, 2023

2. Equipment

Equipment consisted of a computer for \$1,990 that had accumulated depreciation of \$376, and a net book value of \$1,614 at June 30, 2023. Depreciation expense was \$174 for the six months ended June 30, 2023.

3. Net Assets

Net assets with donor restrictions of \$111,000 at June 30, 2023, included funds designated for specific programs or restricted by the passage of time by donors. These amounts are recorded as net assets with donor restrictions until they are expended for their designated purposes or as the time restrictions expire.

4. Related Party Transactions

USPF paid \$2,895 in legal services in the six months ended June 30, 2023 to the spouse of an employee. USPF had worked with this attorney as a consultant for many years prior to the spouse becoming a paid employee. Both parties have a specialty in their respective fields.

5. Line of Credit

USPF has a line of credit in the amount of \$150,000 with a bank. The line bears interest at 6.25% on any outstanding balance. There was no balance at June 30, 2023.

6. Available Resources and Liquidity

USPF had \$80,541 of liabilities at June 30, 2023. USPF considers all financial assets available within one year of the statement of financial position date to be available to meet cash needs, as donor restrictions are integrally related to USPF's mission and projected cash flows for the coming fiscal year. The financial assets consisted of cash of \$315,494 and grants and donor commitments receivable of \$168,000, at June 30, 2023.

USPF has a goal to maintain financial assets, which consist of cash on hand, to meet 60 days of "normal" operating expenses.

**US PAIN FOUNDATION, INC.**  
Notes to Financial Statements (Continued)  
June 30, 2023

**7. In-Kind Donations**

USPF received in-kind donations with an estimated fair value of \$124,225 of various consumable goods for the six months ended June 30, 2023.

All in-kind donations received by USPF for the six months ended June 30, 2023 were considered without donor restrictions and able to be used by USPF as determined by management and the Board of Directors. USPF used these consumable goods in its program services.

**8. Subsequent Events**

Management has evaluated subsequent events after the statement of financial position date of June 30, 2023, through October 10, 2023, the date on which the financial statements were available to be issued, and concluded that no additional disclosures were required.