AMERICAN SLEEP APNEA ASSOCIATION, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

AMERICAN SLEEP APNEA ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024

CONTENTS

	Page
Independent Auditor's Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-9
Independent Auditor's Report on Additional Information	10
Schedule of Program Activities	11

JJ SCHMELZLE & CO.

A CERTIFIED PUBLIC ACCOUNTING FIRM
50 WEST EDMONSTON DRIVE, SUITE 201
ROCKVILLE, MD 20852
TEL 301-610-9966
FAX 301-610-9965

May 22, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
American Sleep Apnea Association, Inc.
Washington, DC

Opinion

I have audited the accompanying financial statements of American Sleep Apnea Association, Inc., which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Sleep Apnea Association, Inc. as of June 30, 2024 and the changes in its net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of American Sleep Apnea Association, Inc. and to meet other ethical responsibilities relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 American Sleep Apnea Association, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my 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 and 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, I:

- 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 American Sleep Apnea Association, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Sleep Apnea Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



Joseph J. Schmelzle
Certified Public Accountant

AMERICAN SLEEP APNEA ASSOCIATION, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

Current assets:	
Cash and equivalents	$ 766,863
Investments (Notes 2e and 6)	4,748,060
Accounts receivable	436
Grant receivable	125,000
Accrued investment income	5,435
Employee receivable	10,423
Prepaid expenses	43,619
Total current assets	5,699,836
Fixed assets (Note 2b):	
Furnishings and equipment	47,150
Software	206,259
	253,409
Less: Accumulated depreciation	74,912
Net fixed assets	178,497
Total assets	$5,878,333

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	$ 59,905
Accrued payroll and withholdings	28,515
Total current liabilities	88,420
Net assets:	
Without restrictions	5,663,033
With restrictions (Note 5)	126,880
Total net assets	5,789,913
Total liabilities and net assets	$5,878,333

See accompanying notes to financial statements.

AMERICAN SLEEP APNEA ASSOCIATION, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Restrictions	With Restrictions	Total
Revenue and support:			
Contributions	$ 35,001	$ 515	$ 35,516
Program fees	123,160	-	123,160
Investment income, net of expenses of $16,327	584,199	-	584,199
Net assets released due to satisfaction of program restrictions (Note 4)	92,757	(92,757)	-
Total revenue and support	835,117	(92,242)	742,875
Expenses (Note 2d):			
Program activities:			
Outreach	146,510	-	146,510
Education	74,671	-	74,671
CPAP Assistance	371,887	-	371,887
Research	90,207	-	90,207
Total program activities	683,275	-	683,275
Supporting activities:			
Management and general	77,477	-	77,477
Development	23,338	-	23,338
Total supporting activities	100,815	-	100,815
Total expenses	784,090	-	784,090
Change in net assets	51,027	(92,242)	(41,215)
Net assets at beginning of year	5,612,006	219,122	5,831,128
Net assets at end of year	$5,663,033	$126,880	$5,789,913

See accompanying notes to financial statements.

AMERICAN SLEEP APNEA ASSOCIATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Activities	Supporting Activities: Management and General	Supporting Activities: Development	Total Expenses
Postage and shipping	$ 18,082	$ 100	$ 13	$ 18,195
Computer services	23,540	2,054	1,192	26,786
Supplies	7,488	204	122	7,814
Website services	21,233	965	456	22,654
Conferences and meetings	3,364	1,151	-	4,515
Travel	21,415	2,306	632	24,353
Salaries	320,049	22,341	9,560	351,950
Payroll taxes	26,756	1,580	881	29,217
Employee benefits	4,732	128	53	4,913
Bank and merchant fees	6,044	157	349	6,550
Contract fees and consultants	157,515	27,811	4,586	189,912
Miscellaneous	3,041	2,437	1,325	6,803
Depreciation	32,914	2,311	1,454	36,679
Insurance	16,483	609	344	17,436
Rent	15,258	128	79	15,465
Telephone	4,766	466	190	5,422
Dues and subscriptions	595	302	2,102	2,999
Professional fees	-	12,427	-	12,427
Total	$683,275	$77,477	$23,338	$784,090

See accompanying notes to financial statements.

AMERICAN SLEEP APNEA ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:	
Reconciliation of change in net assets to net cash used for operating activities:	
Change in net assets	$ (41,215)
Noncash revenue and expenses included in operations:	
Gain from sale of investments	(13,106)
Unrealized gains from investments	(368,241)
Amortization of bond discounts	(63,595)
Depreciation	36,679
Increase in accrued investment income	(633)
Decrease in grants and accounts receivable	88,349
Increase in prepaid expenses	(35,816)
Increase in accounts payable	10,512
Increase in accrued payroll and withholdings	17,684
Increase in employee receivable	(7,346)
Net cash used for operating activities	(376,728)
Cash flows from investing activities:	
Software enhancements	(107,932)
Purchase of equipment	(19,822)
Purchase of investment securities	(764,292)
Sales and maturity of investment securities	1,455,828
Net cash provided by investing activities	563,782
Net change in cash and equivalents	187,054
Cash and equivalents:	
Beginning of year	579,809
End of year	$ 766,863

See accompanying notes to financial statements.

AMERICAN SLEEP APNEA ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

Note 1. Organization and Business

American Sleep Apnea Association, Inc. (the Association) is a nonprofit organization whose mission is to improve the lives of those affected by sleep apnea and lead the search for the elimination of this syndrome in future generations. The Association promotes education and awareness through a network of voluntary mutual support groups, research and the continuous improvement of care.

Note 2. Summary of Significant Accounting Policies

a. Method of Accounting - The financial statements have been prepared using the accrual basis of accounting, which requires estimates and assumptions by management that may differ from actual results. The Association's liquidity reflects its current assets at June 30, 2024.

b. Fixed Assets - Fixed assets are included in the statement of financial position at cost, and depreciation is computed on the straight-line basis using estimated useful lives of three to five years.

c. Grants - Grants are reported as revenue in the year unconditionally promised. Grants received for restricted purposes are reported as restricted until the restriction expires. When the restriction expires, these net assets are reclassified as net assets without restrictions and reported in the statement of activities as net assets released due to satisfaction of restrictions or returned to the donor.

d. Expenses - Expenses are generally either directly charged to one or more program or supporting activity or allocated to all program or supporting activities based principally on estimated effort on behalf of each program or supporting activity during the period the expenses were incurred.

e. Investments - Investments are available for sale and reported at fair market value, which is cost for short-term investment funds and quoted market price from public exchanges for all other investments. Short-term investments of three months or less are treated as cash equivalents.

Subsequent events have been evaluated through May 22, 2025.

Note 3. Income Tax Status

The Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, these financial statements have no provision for income taxes.

Note 4. Satisfaction of Restricted Activities

Net assets were released from donor restrictions during the year ended June 30, 2024 by incurring expenses satisfying the restricted purposes for the following programs:

CPAP Assistance	$ 4,400
Research	88,357
	$92,757

Note 5. Net Assets with Restrictions

The Association maintains restricted net assets that will be used when program expenses are incurred in connection with these activities. At June 30, 2024, the Association maintained restricted net assets for the following programs:

SAPCON-PCORI	$ 5,157
Education	10,050
CPAP Assistance	1,115
Research	110,558
	$126,880

Note 6. Investments

A summary of investments held at June 30, 2024 as reported at fair market value from quoted exchange prices is as follows:

Bonds and Bond Funds	$1,782,881
Real Estate Funds	127,579
Equity Index Fund	2,837,600
	$4,748,060

Note 7. Related Party Transactions

The Association engaged a family member of the executive director for software and consulting services and paid the member $105,710 as a contractor for the year ended June 30, 2024.

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May 22, 2025

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Directors of
American Sleep Apnea Association, Inc.
Washington, DC

I have audited the financial statements of American Sleep Apnea Association, Inc. as of and for the year ended June 30, 2024 and have issued my report thereon, dated May 22, 2025, which contained an unmodified opinion on those financial statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The schedule of program activities is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Joseph J. Schmelzle
Certified Public Accountant

AMERICAN SLEEP APNEA ASSOCIATION, INC.

SCHEDULE OF PROGRAM ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Outreach	Education	CPAP Assistance	Research	Total
Postage and shipping	$ 34	$ 70	$ 17,954	$ 24	$ 18,082
Computer services	4,774	2,390	13,286	3,090	23,540
Supplies	449	235	6,261	543	7,488
Website services	9,018	3,868	5,427	2,920	21,233
Conferences and meetings	2,979	210	175	-	3,364
Travel	10,346	2,039	9,030	-	21,415
Salaries	46,900	44,492	190,951	37,706	320,049
Payroll taxes	3,450	4,138	16,359	2,809	26,756
Employee benefits	274	1,723	2,422	313	4,732
Bank and merchant fees	1,153	117	4,656	118	6,044
Contract fees and consultants	58,417	9,412	53,003	36,683	157,515
Miscellaneous	401	199	2,244	197	3,041
Depreciation	5,180	4,516	19,478	3,740	32,914
Insurance	1,373	675	13,469	966	16,483
Rent	298	136	14,612	212	15,258
Dues and subscriptions	415	15	35	130	595
Telephone	1,049	436	2,525	756	4,766
Total	$146,510	$74,671	$371,887	$90,207	$683,275