

**THE ALS ASSOCIATION -  
GREATER NY CHAPTER**

**Financial Statements  
for the years ended  
January 31, 2013  
and  
January 31, 2012**

**Independent Auditor's Report**

To the Board of Directors of  
The ALS Association –  
Greater NY Chapter

We have audited the accompanying financial statements of The ALS Association – Greater NY Chapter (the “Association”) which comprise the statement of financial position as of January 31, 2013 and January 31, 2012 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

***Management's Responsibility 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; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ALS Association – Greater NY Chapter as of January 31, 2013 and January 31, 2012 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.

*Condon O'Meara McGinty & Donnelly LLP*

July 17, 2013

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Statement of Financial Position**

**Assets**

	<u>January 31</u>	
	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$1,914,852	\$1,681,435
Grants receivable and other	146,719	120,694
Leasehold improvements, office property and equipment, net	155,795	161,397
Security deposit	<u>40,325</u>	<u>40,325</u>
<b>Total assets</b>	<b><u>\$2,257,691</u></b>	<b><u>\$2,003,851</u></b>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued	\$ 7,165	\$ 50,307
Due to National ALS Association	<u>60,782</u>	<u>25,067</u>
Total liabilities	<u>67,947</u>	<u>75,374</u>

**Net assets**

Unrestricted	1,963,090	1,785,554
Temporarily restricted	<u>226,654</u>	<u>142,923</u>
Total net assets	<u>2,189,744</u>	<u>1,928,477</u>

<b>Total liabilities and net assets</b>	<b><u>\$2,257,691</u></b>	<b><u>\$2,003,851</u></b>
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See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Activities

	Years Ended January 31					
	2013		2012			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Public support and revenue</b>						
Contributions	\$ 946,411	\$ 100,417	\$1,046,828	\$ 809,200	\$ 100	\$ 809,300
Gross revenue from special events	<u>2,953,916</u>	-	<u>2,953,916</u>	<u>2,446,781</u>	-	<u>2,446,781</u>
Total public support and revenue	3,900,327	100,417	4,000,744	3,255,981	100	3,256,081
Less: Expenses from special events	<u>860,654</u>	-	<u>860,654</u>	<u>830,201</u>	-	<u>830,201</u>
Net revenue from charitable activities	3,039,673	100,417	3,140,090	2,425,780	100	2,425,880
<b>Other revenue</b>						
Interest	1,254	199	1,453	1,295	240	1,535
Net assets released from restrictions	<u>16,885</u>	<u>(16,885)</u>	-	<u>17,825</u>	<u>(17,825)</u>	-
Net revenue available for Association's mission	<u>3,057,812</u>	<u>83,731</u>	<u>3,141,543</u>	<u>2,444,900</u>	<u>(17,485)</u>	<u>2,427,415</u>
<b>Expenses</b>						
Program services						
Research and grants	437,279	-	437,279	380,285	-	380,285
Patient services and support	<u>1,401,937</u>	-	<u>1,401,937</u>	<u>1,189,222</u>	-	<u>1,189,222</u>
Public awareness and education	320,608	-	320,608	306,547	-	306,547
Advocacy	<u>133,386</u>	-	<u>133,386</u>	<u>126,823</u>	-	<u>126,823</u>
Total program services	<u>2,293,210</u>	-	<u>2,293,210</u>	<u>2,002,877</u>	-	<u>2,002,877</u>
Support services						
Fundraising	333,619	-	333,619	344,799	-	344,799
General and administrative	<u>253,447</u>	-	<u>253,447</u>	<u>260,255</u>	-	<u>260,255</u>
Total support services	<u>587,066</u>	-	<u>587,066</u>	<u>605,054</u>	-	<u>605,054</u>
Total expenses	<u>2,880,276</u>	-	<u>2,880,276</u>	<u>2,607,931</u>	-	<u>2,607,931</u>
<b>Increase (decrease) in net assets</b>	<b>177,536</b>	<b>83,731</b>	<b>261,267</b>	<b>(163,031)</b>	<b>(17,485)</b>	<b>(180,516)</b>
<b>Net assets, beginning of year</b>	<b>1,785,554</b>	<b>142,923</b>	<b>1,928,477</b>	<b>1,948,585</b>	<b>160,408</b>	<b>2,108,993</b>
<b>Net assets, end of year</b>	<b>\$1,963,090</b>	<b>\$ 226,654</b>	<b>\$2,189,744</b>	<b>\$1,785,554</b>	<b>\$ 142,923</b>	<b>\$1,928,477</b>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Functional Expenses

Year Ended January 31, 2013

	Program Services				Supporting Services			Total	
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative	Total		
Expenses before depreciation and amortization									
Contributions	\$ 437,279	\$ -	\$ -	\$ -	\$ 437,279	\$ -	\$ -	\$ 437,279	
Program costs	-	577,688	127,653	40,965	746,306	-	-	746,306	
Direct activity expenses	-	-	-	-	-	120,221	128,457	248,678	
Salaries and related expenses	-	587,586	162,286	77,731	827,603	179,480	99,668	1,106,751	
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	111,043	30,669	14,690	156,402	33,918	18,840	209,160	
Total expenses before depreciation and amortization	437,279	1,276,317	320,608	133,386	2,167,590	333,619	246,965	2,748,174	
Depreciation and amortization	-	125,620	-	-	125,620	-	6,482	132,102	
Totals	\$ 437,279	\$ 1,401,937	\$ 320,608	\$ 133,386	\$ 2,293,210	\$ 333,619	\$ 253,447	\$ 2,880,276	
Percentage of total expenses 2013	15.2%	48.7%	11.1%	4.6%	79.6%	11.6%	8.8%	20.4%	100.0%

Total expenses before depreciation and amortization

Depreciation and amortization

Totals

Percentage of total expenses

2013

Year Ended January 31, 2012

	Program Services				Supporting Services			Total	
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative	Total		
Expenses before depreciation and amortization									
Contributions	\$ 380,285	\$ -	\$ -	\$ -	\$ 380,285	\$ -	\$ -	\$ 380,285	
Program costs	-	432,881	127,687	40,604	601,172	-	-	601,172	
Direct activity expenses	-	-	-	-	-	109,646	134,446	244,092	
Salaries and related expenses	-	513,547	149,414	72,025	734,986	196,439	98,528	1,029,953	
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	101,208	29,446	14,194	144,848	38,714	20,799	204,361	
Total expenses before depreciation and amortization	380,285	1,047,636	306,547	126,823	1,861,291	344,799	253,773	2,459,863	
Depreciation and amortization	-	141,586	-	-	141,586	-	6,482	148,068	
Totals	\$ 380,285	\$ 1,189,222	\$ 306,547	\$ 126,823	\$ 2,002,877	\$ 344,799	\$ 260,255	\$ 2,607,931	
Percentage of total expenses 2012	14.6%	45.6%	11.8%	4.8%	76.8%	13.2%	10.0%	23.2%	100.0%

Total expenses before depreciation and amortization

Depreciation and amortization

Totals

Percentage of total expenses

2012

See notes to financial statements.

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Statement of Cash Flows**

	<b>Year Ended</b>	
	<b>January 31</b>	
	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 261,267	\$ (180,516)
Adjustments to reconcile increase (decrease) in net assets to net increase (decrease) in cash and cash equivalents		
Depreciation and amortization	132,102	148,068
In-kind donations of equipment	(126,500)	(117,910)
Changes in assets and liabilities		
(Increase) in grants receivable and other	(26,025)	(63,668)
Increase (decrease) in accounts payable and accrued	(43,142)	17,348
Increase in due to National ALS Association	<u>35,715</u>	<u>25,067</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>233,417</b>	<b>(171,611)</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>1,681,435</b></u>	<u><b>1,853,046</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$1,914,852</b></u>	<u><b>\$1,681,435</b></u>

See notes to financial statements.

## THE ALS ASSOCIATION – GREATER NY CHAPTER

### Notes to Financial Statements January 31, 2013 and January 31, 2012

#### **Note 1 – Nature of charitable organization**

The mission of The ALS Association – Greater New York Chapter (the “Association”) is to lead the fight to cure and treat ALS through global, cutting edge research, and to empower people with Lou Gehrig’s disease and their families to live fuller lives by providing them with compassionate care and support.

#### **Principal Activities and Mission**

The Association provides a wide range of services, including sponsorship of four multidisciplinary ALS Centers in the greater New York area. The Association also makes loans of medical equipment and assistive communication devices from its loan closets, as well as holds patient educational symposia and monthly support groups, conducts home visits, provides transportation to clinic appointments, and offers social work and referral services.

The Association funds aggressive, cutting-edge research to find a cure or effective treatment that utilizes the newest techniques and fosters collaborative initiatives among government agencies, the private sector and scientists. Since 1995, the Association has expended more than \$7.1 million on ALS-specific basic science and translational research.

Through public outreach, media relations and the Internet, the Association continually raises awareness about ALS and the search for a cure. On average, each month, 5,000 viewers visit our website, a vital source of information for those battling ALS and for people looking for the latest news and information about the disease. We also have expanded ALS awareness by establishing support networks on popular social networking websites, such as Facebook and Twitter.

The Association plays a lead role in advocacy for increased public and private support of ALS research and public policy initiatives that respond to the needs of the people with ALS. The Association’s state and national advocacy efforts have raised the profile of ALS and helped enact new policies. The Association’s efforts have been instrumental in the passage of the National ALS Registry Act and the change in policy by the Veteran’s Administration to designate ALS as a military service-related disease, enabling veterans with ALS and/or their surviving spouses to receive disability benefits.

#### **Note 2 – Summary of significant accounting policies**

##### Net assets

##### Unrestricted

Unrestricted net assets are used to account for the general activity of the Association.

**THE ALS ASSOCIATION – GREATER NY CHAPTER****Notes to Financial Statements (continued)  
January 31, 2013 and January 31, 2012****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Temporarily restricted

Temporarily restricted revenue represents expendable gifts and grants, which are restricted by the donor or are to be made available in future periods. As the restrictions are satisfied, temporarily restricted net assets will be reclassified to unrestricted net assets and reported in the financial statement as net assets released from restrictions. The Association's policy is to record, as unrestricted revenue, contributions when donor-imposed restrictions are met in the same year that the contributions are received. At January 31, 2013, the balance in temporarily restricted net assets will be used to fund the programs described in note 1.

Cash equivalents

The Association considers all highly liquid investments purchased, including money market accounts, with a maturity of three months or less to be cash equivalents.

Allowance for doubtful accounts

The Association has not provided for an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and economic conditions.

Leasehold improvements, office property and equipment

The Association capitalizes as leasehold improvements, office property and equipment expenditures for assets above a nominal amount with an estimated useful life greater than one year. Expenditures for leasehold improvements, office property and equipment are capitalized at cost or, for donated assets, fair value at the time of donation. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets ranging from three to forty years.

Contributions, donations and bequests

Contributions are recognized as revenue in the period in which they are received or pledged. Bequests are recognized at the time the Association's right to them is established by the Court and the proceeds are subject to reasonable estimation. Donations of equipment or other long-lived assets are classified as unrestricted, and restrictions on the use of cash donations for the purchase thereof are considered met when the assets are purchased.

Allocation of functional expenses

The cost of providing the various programs has been summarized on a functional basis. Accordingly, certain costs have been allocated among programs and supporting services benefitted.



**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Notes to Financial Statements (continued)  
January 31, 2013 and January 31, 2012**

**Note 2 – Summary of significant accounting policies (continued)**

Concentrations of credit risk

The Association's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and receivables. The Association places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, cash balances may exceed the FDIC insurance limit; however, the Association has not experienced any losses on these accounts to date. The Association's management deems the receivables collectible and monitors them on an ongoing basis. Accordingly, the Association believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents and receivables.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

The Association has evaluated events and transactions for potential recognition or disclosure through July 17, 2013, which is the date the financial statements were available to be issued.

**Note 3 – Leasehold improvements, office property and equipment**

A summary of leasehold improvements, office property, equipment and accumulated depreciation and amortization as of January 31, 2013 and January 31, 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Medical equipment	\$1,203,714	\$1,077,214
Leasehold improvements	25,344	25,344
Office equipment	33,029	33,029
Furniture and fixtures	<u>22,552</u>	<u>22,552</u>
Sub-total	1,284,639	1,158,139
Less: Accumulated depreciation and amortization	<u>1,128,844</u>	<u>996,742</u>
Total	<u>\$ 155,795</u>	<u>\$ 161,397</u>

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Notes to Financial Statements (continued)  
January 31, 2013 and January 31, 2012**

**Note 4 – Analysis of special events**

	<u>Sports Dinner</u>		<u>Chapter Sponsored Events</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Gross revenue	\$ 843,238	\$ 753,200	\$2,110,678	\$1,693,581	\$2,953,916	\$2,446,781
Less expenses	<u>330,250</u>	<u>341,704</u>	<u>530,404</u>	<u>488,497</u>	<u>860,654</u>	<u>830,201</u>
Net revenue from special events	<u>\$ 512,988</u>	<u>\$ 411,496</u>	<u>\$1,580,274</u>	<u>\$1,205,084</u>	<u>\$2,093,262</u>	<u>\$1,616,580</u>

**Note 5 – Revenue sharing**

Revenue sharing remitted to the National ALS Association of \$344,978 in 2013 and \$254,797 in 2012, respectively, was allocated to program and support services based on the National ALS Association's current revenue sharing plan agreement.

**Note 6 – Lease agreement**

In October 2008, the Association entered into an 11-year lease agreement for office space. Occupancy expense for the 2013 and 2012 fiscal years totaled \$197,446 and \$189,787, respectively.

At January 31, 2013 future minimum lease payments under the agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2014	\$ 181,542
2015	198,446
2016	204,400
2017	210,532
2018	216,848
2019	223,353
2020	<u>230,054</u>
Total	<u>\$ 1,465,175</u>

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Notes to Financial Statements (continued)  
January 31, 2013 and January 31, 2012**

**Note 7 – Temporarily restricted net assets**

Statutory law

The Association follows New York State Not-for-Profit Corporation Law (N-PCL) when adhering to donor-restricted contributions.

Temporarily restricted net assets are available for the following purposes as of January 31, 2013 and January 31, 2012:

<u>Purpose</u>	<u>2013</u>			
	<u>Balance at January 31, 2012</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2013</u>
Research	\$ 12,571	\$ -	\$ -	\$ 12,571
Patient services	130,352	249	(16,885)	113,716
Time restricted	<u>-</u>	<u>100,367</u>	<u>-</u>	<u>100,367</u>
Total	<u>\$ 142,923</u>	<u>\$ 100,616</u>	<u>\$ (16,885)</u>	<u>\$ 226,654</u>

  

<u>Purpose</u>	<u>2012</u>			
	<u>Balance at January 31, 2011</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2012</u>
Research	\$ 12,571	\$ -	\$ -	\$ 12,571
Patient services	<u>147,837</u>	<u>340</u>	<u>(17,825)</u>	<u>130,352</u>
Total	<u>\$ 160,408</u>	<u>\$ 340</u>	<u>\$ (17,825)</u>	<u>\$ 142,923</u>

**Note 8 – Retirement plan**

The Association has a SIMPLE IRA where employees can contribute a portion of their salary not to exceed limits established by the Internal Revenue Code. The Association matches employee contributions up to 3% of the employee's compensation. Expense associated with this plan for the 2013 and 2012 fiscal years totaled \$17,960 and \$19,517, respectively.

**THE ALS ASSOCIATION – GREATER NY CHAPTER****Notes to Financial Statements (continued)  
January 31, 2013 and January 31, 2012****Note 9 – Tax-exempt status**

The Association has been classified by the Internal Revenue Service (“IRS”) as a publicly supported organization classified under Section 170 (b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code (the “Code”) and that it is exempt from Federal income taxes under Section 501(c)(3) of the Code. In addition, the Association has been determined by the IRS to be a publicly supported organization and not a private foundation under the meaning of Section 509(a) of the Code, therefore contributions qualify for the maximum charitable deduction by donors under IRC Section 170 (b)(1)(A)(vi). As of January 31, 2013 and January 31, 2012, no amounts were recognized for tax benefits resulting from uncertain income tax positions. The Association’s tax returns for the fiscal year 2010 and forward are subject to the usual review by the appropriate authorities.