

**THE ALS ASSOCIATION -
GREATER NY CHAPTER**

**Financial Statements
for the years ended
January 31, 2012
and
January 31, 2011**

**CONDON
O'MEARA
MCGINTY &
DONNELLY LLP**

Certified Public Accountants

One Battery Park Plaza
New York, NY 10004-1405
Tel: (212) 661 - 7777
Fax: (212) 661 - 4010

Independent Auditors' Report

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

We have audited the accompanying statement of financial position of The ALS Association - Greater NY Chapter (the "Association") as of January 31, 2012 and January 31, 2011 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. 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 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 audits provide a reasonable basis for our 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 at January 31, 2012 and January 31, 2011 and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Condon O'Meara McGinty & Donnelly LLP

June 5, 2012

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Financial Position

Assets

| | <u>January 31</u> | |
|---------------------------------------------------------------|---------------------------|---------------------------|
| | <u>2012</u> | <u>2011</u> |
| Cash and cash equivalents | \$1,681,435 | \$1,853,046 |
| Grants receivable and other | 120,694 | 57,026 |
| Leasehold improvements, office property and equipment, net | 161,397 | 191,555 |
| Security deposit | <u>40,325</u> | <u>40,325</u> |
| Total assets | <u>\$2,003,851</u> | <u>\$2,141,952</u> |

Liabilities and Net Assets

Liabilities

| | | |
|---------------------------------|----------------------|----------------------|
| Accounts payable and accrued | \$ 50,307 | \$ 32,959 |
| Due to National ALS Association | <u>25,067</u> | <u>-</u> |
| Total liabilities | <u>75,374</u> | <u>32,959</u> |

Net assets

| | | |
|-----------------------------------------|---------------------------|---------------------------|
| Unrestricted | 1,785,554 | 1,948,585 |
| Temporarily restricted | <u>142,923</u> | <u>160,408</u> |
| Total net assets | <u>1,928,477</u> | <u>2,108,993</u> |
| Total liabilities and net assets | <u>\$2,003,851</u> | <u>\$2,141,952</u> |

See notes to financial statements.

THE ALS ASSOCIATION - GREATER NY CHAPTER

Statement of Activities
for the Years Ended January 31, 2012
and January 31, 2011

| | January 31 | | |
|-------------------------------------------------|--------------|------------------------|--------------|
| | 2012 | | 2011 |
| | Unrestricted | Temporarily Restricted | Unrestricted |
| Public support and revenue | | | |
| Contributions | \$ 809,200 | \$ 100 | \$ 809,300 |
| Gross revenue from special events | 2,446,781 | - | 2,446,781 |
| Total public support and revenue | 3,255,981 | 100 | 3,256,081 |
| Less: Expenses from special events | 830,201 | - | 830,201 |
| Net revenue from charitable activities | 2,425,780 | 100 | 2,425,880 |
| Other revenue | | | |
| Interest | 1,295 | 240 | 1,535 |
| Net assets released from restrictions | 17,825 | (17,825) | - |
| Net revenue available for Association's mission | 2,444,900 | (17,485) | 2,427,415 |
| Expenses | | | |
| Program services | | | |
| Research and grants | 380,285 | - | 380,285 |
| Patient services and support | 1,189,222 | - | 1,189,222 |
| Public awareness and education | 306,547 | - | 306,547 |
| Advocacy | 126,823 | - | 126,823 |
| Total program services | 2,002,877 | - | 2,002,877 |
| Support services | | | |
| Fundraising | 344,799 | - | 344,799 |
| General and administrative | 260,255 | - | 260,255 |
| Total support services | 605,054 | - | 605,054 |
| Total expenses | 2,607,931 | - | 2,607,931 |
| Increase (decrease) in net assets | (163,031) | (17,485) | (180,516) |
| Net assets, beginning of year | 1,948,585 | 160,408 | 2,108,993 |
| Net assets, end of year | \$ 1,785,554 | \$ 142,923 | \$ 1,928,477 |

See notes to financial statements.

THE ALS ASSOCIATION - GREATER NY CHAPTER

Statement of Functional Expenses for the
Years Ended January 31, 2012

and
January 31, 2011

| | 2012 | | | | | | Total |
|---------------------------------------------------------------------------------------------|---------------------|------------------------------|--------------------------------|---------------------|------------------------|-------------|--------------|
| | Program Services | | | Supporting Services | | | |
| | Research and Grants | Patient Services and Support | Public Awareness and Education | Advocacy | Raising Administrative | General and | |
| Expenses before depreciation | \$ 380,285 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 380,285 |
| Contributions | - | 432,881 | 127,687 | 40,604 | - | - | 601,172 |
| Program costs | - | - | - | - | 109,646 | 134,446 | 244,092 |
| Direct activity expenses | - | 513,547 | 149,414 | 72,025 | 196,439 | 98,528 | 294,967 |
| Salaries and related expenses | - | - | - | - | - | - | - |
| Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance | - | 101,208 | 29,446 | 14,194 | 38,714 | 20,799 | 59,513 |
| Total expenses before depreciation | 380,285 | 1,047,636 | 306,547 | 126,823 | 344,799 | 233,773 | 598,572 |
| Depreciation and amortization | - | 141,586 | - | - | - | 6,482 | 148,068 |
| Totals | \$ 380,285 | \$ 1,189,222 | \$ 306,547 | \$ 126,823 | \$ 344,799 | \$ 260,255 | \$ 2,607,931 |
| Percentage of total expenses | 14.6% | 45.6% | 11.8% | 4.8% | 13.2% | 10.0% | 100.0% |

| | 2011 | | | | | | Total |
|---------------------------------------------------------------------------------------------|---------------------|------------------------------|--------------------------------|---------------------|------------------------|-------------|--------------|
| | Program Services | | | Supporting Services | | | |
| | Research and Grants | Patient Services and Support | Public Awareness and Education | Advocacy | Raising Administrative | General and | |
| Expenses before depreciation | \$ 577,158 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 577,158 |
| Contributions | - | 517,319 | 100,263 | 39,598 | - | - | 657,180 |
| Program costs | - | - | - | - | 79,832 | 137,819 | 217,651 |
| Direct activity expenses | - | 436,873 | 125,883 | 53,589 | 189,794 | 96,328 | 902,467 |
| Salaries and related expenses | - | - | - | - | - | - | - |
| Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance | - | 87,270 | 25,146 | 10,705 | 37,913 | 20,537 | 58,450 |
| Total expenses before depreciation | 577,158 | 1,041,462 | 251,292 | 103,892 | 307,539 | 254,684 | 562,223 |
| Depreciation | - | 221,144 | - | - | - | 6,482 | 227,626 |
| Totals | \$ 577,158 | \$ 1,262,606 | \$ 251,292 | \$ 103,892 | \$ 307,539 | \$ 261,166 | \$ 2,763,653 |
| Percentage of total expenses | 20.9% | 45.7% | 9.1% | 3.7% | 11.1% | 9.5% | 100.0% |

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Cash Flows

| | Year Ended | |
|-------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|
| | January 31 | |
| | <u>2012</u> | <u>2011</u> |
| Cash flows from operating activities | | |
| Increase (decrease) in net assets | \$ (180,516) | \$ 104,450 |
| Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities | | |
| Depreciation and amortization | 148,068 | 227,626 |
| In-kind donations of equipment | (117,910) | (132,450) |
| Changes in assets and liabilities | | |
| (Increase) decrease in grants receivable and other | (63,668) | 103,093 |
| Increase in accounts payable and accrued | 17,348 | 28,972 |
| Increase (decrease) in due to National ALS Association | <u>25,067</u> | <u>(378,719)</u> |
| Net (decrease) in cash and cash equivalents | (171,611) | (47,028) |
| Cash and cash equivalents, beginning of year | <u>1,853,046</u> | <u>1,900,074</u> |
| Cash and cash equivalents, end of year | <u>\$1,681,435</u> | <u>\$1,853,046</u> |

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements
January 31, 2012 and January 31, 2011****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 \$6.7 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, 2012 and January 31, 2011****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, 2012, 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 time deposits and savings 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 current economic conditions.

Leasehold improvements, office property and equipment

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, 2012 and January 31, 2011**

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. 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 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.

Reclassification

Certain items in the 2011 fiscal year financial statements have been reclassified for comparative purposes.

Subsequent events

The Association has evaluated events and transactions for potential recognition or disclosure through June 5, 2012, 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 as of January 31, 2012 and January 31, 2011 is as follows:

| | <u>2012</u> | <u>2011</u> |
|-------------------------------------------------|-------------------|-------------------|
| Medical equipment | \$1,077,214 | \$ 959,304 |
| 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 | 1,158,139 | 1,040,229 |
| Less: Accumulated depreciation and amortization | <u>996,742</u> | <u>848,674</u> |
| Total | <u>\$ 161,397</u> | <u>\$ 191,555</u> |

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2012 and January 31, 2011**

Note 4 – Analysis of special events

| | <u>Sports Dinner</u> | | <u>Chapter Sponsored Events</u> | | <u>Total</u> | |
|---------------------------------|----------------------|-------------------|-------------------------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> | <u>2012</u> | <u>2011</u> |
| Gross revenue | \$ 753,200 | \$1,123,212 | \$1,693,581 | \$1,729,063 | \$2,446,781 | \$2,852,275 |
| Less expenses | <u>341,704</u> | <u>417,556</u> | <u>488,497</u> | <u>444,181</u> | <u>830,201</u> | <u>861,737</u> |
| Net revenue from special events | <u>\$ 411,496</u> | <u>\$ 705,656</u> | <u>\$1,205,084</u> | <u>\$1,284,882</u> | <u>\$1,616,580</u> | <u>\$1,990,538</u> |

Note 5 – Revenue sharing

Revenue sharing remitted to the National ALS Association of \$254,797 in 2012 and \$236,681 in 2011, 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 2012 and 2011 fiscal years totaled \$189,787 and \$183,222, respectively.

At January 31, 2012 future minimum lease payments under the agreement are as follows:

| <u>Fiscal Year</u> | <u>Amount</u> |
|---------------------|---------------------|
| 2013 | \$ 176,255 |
| 2014 | 181,542 |
| 2015 | 198,446 |
| 2016 | 204,400 |
| 2017 | 210,532 |
| 2018 and thereafter | <u>670,254</u> |
| Total | <u>\$ 1,641,429</u> |

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.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2012 and January 31, 2011**

Note 7 – Temporarily restricted net assets (continued)

Statutory law (continued)

Temporarily restricted net assets are available for the following purposes as of January 31, 2012 and January 31, 2011:

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

| <u>Purpose</u> | 2011 | | | <u>Balance at January 31, 2011</u> |
|------------------|--------------------------------------------|----------------------------------|-------------------------------------------|--------------------------------------------|
| | <u>Balance at January 31, 2010</u> | <u>Support and Other</u> | <u>Released from Restrictions</u> | |
| Research | \$ 12,571 | \$ - | \$ - | \$ 12,571 |
| Patient services | 175,107 | 1,491 | (28,761) | 147,837 |
| Total | \$ 187,678 | \$ 1,491 | \$ (28,761) | \$ 160,408 |

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 2012 and 2011 fiscal years totaled \$19,517 and \$19,583, respectively.

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, 2012, no amounts have been recognized for uncertain income tax positions. The Association's tax returns for fiscal year 2009 and forward are subject to the usual review by the appropriate authorities.