

**THE ALS ASSOCIATION -
GREATER NY CHAPTER**

**Financial Statements
for the years ended
January 31, 2015
and
January 31, 2014**

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 which comprise the statement of financial position as of January 31, 2015 and January 31, 2014 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 entity'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 entity'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, 2015 and January 31, 2014 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 20, 2015

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Financial Position

Assets

	<u>January 31</u>	
	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 2,728,880	\$ 2,186,964
Cash and cash equivalents – designated	4,000,000	-
Grants receivable	439,249	109,067
Prepaid expenses	59,029	15,000
Leasehold improvements, office property and equipment, net	189,823	168,908
Security deposit	<u>40,325</u>	<u>40,325</u>
Total assets	<u>\$ 7,457,306</u>	<u>\$ 2,520,264</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued	\$ 8,097	\$ 4,265
Due to National ALS Association	<u>-</u>	<u>279,265</u>
Total liabilities	<u>8,097</u>	<u>283,530</u>

Net assets

Unrestricted		
Operating	2,473,719	2,071,604
Board-designated fund	<u>4,000,000</u>	<u>-</u>
Total unrestricted	6,473,719	2,071,604
Temporarily restricted	<u>975,490</u>	<u>165,130</u>
Total net assets	<u>7,449,209</u>	<u>2,236,734</u>
Total liabilities and net assets	<u>\$ 7,457,306</u>	<u>\$ 2,520,264</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Activities

	Years Ended January 31			
	2015		2014	
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted
Public support and revenue				
Contributions	\$6,572,591	\$ 885,630	\$7,458,221	\$ 50,000
Gross revenue from special events	4,192,613	-	4,192,613	-
Total public support and revenue	10,765,204	885,630	11,650,834	50,000
Less: Expenses from special events	1,492,806	-	1,492,806	-
Net revenue from charitable activities	9,272,398	885,630	10,158,028	50,000
Other revenue				
Interest	5,887	139	6,026	172
Net assets released from restrictions	75,409	(75,409)	-	(111,696)
Net revenue available for Association's mission	9,353,694	810,360	10,164,054	(61,524)
Expenses				
Program services				
Research and grants	1,712,578	-	1,712,578	621,548
Patient services and support	1,797,433	-	1,797,433	1,463,544
Public awareness and education	548,139	-	548,139	417,040
Advocacy	130,686	-	130,686	140,681
Total program services	4,188,836	-	4,188,836	2,642,813
Support services				
Fundraising	421,123	-	421,123	342,345
General and administrative	341,620	-	341,620	255,255
Total support services	762,743	-	762,743	597,600
Total expenses	4,951,579	-	4,951,579	3,240,413
Increase (decrease) in net assets	4,402,115	810,360	5,212,475	(61,524)
Net assets, beginning of year	2,071,604	165,130	2,236,734	226,654
Net assets, end of year	\$6,473,719	\$ 975,490	\$7,449,209	\$ 165,130

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Functional Expenses

Year Ended January 31, 2015

	Program Services				Supporting Services		Total
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative	
Expenses before depreciation and amortization	\$1,712,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,712,578
Contributions	-	702,465	327,374	56,993	-	-	1,086,832
Program costs	-	-	-	-	130,329	179,960	310,289
Direct activity expenses	-	806,614	188,582	62,950	248,402	136,055	1,442,603
Salaries and related expenses	-	-	-	-	-	-	-
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	137,655	32,183	10,743	42,392	23,219	246,192
Total expenses before depreciation and amortization	1,712,578	1,646,734	548,139	130,686	421,123	339,234	4,798,494
Depreciation and amortization	-	150,699	-	-	-	2,386	153,085
Totals	\$1,712,578	\$1,797,433	\$ 548,139	\$ 130,686	\$ 421,123	\$ 341,620	\$4,951,579
Percentage of total expenses	34.6%	36.3%	11.1%	2.6%	8.5%	6.9%	100.0%

Expenses before depreciation and amortization

Contributions
 Program costs
 Direct activity expenses
 Salaries and related expenses
 Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance

Total expenses before depreciation and amortization
 Depreciation and amortization
 Totals

Percentage of total expenses

2015

Year Ended January 31, 2014

	Program Services				Supporting Services		Total
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative	
Expenses before depreciation and amortization	\$ 621,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621,548
Contributions	-	557,157	194,139	42,138	-	-	793,434
Program costs	-	-	-	-	77,297	102,627	179,924
Direct activity expenses	-	661,827	190,503	84,220	226,524	124,903	1,287,977
Salaries and related expenses	-	-	-	-	-	-	-
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	112,555	32,398	14,323	38,524	21,243	219,043
Total expenses before depreciation and amortization	621,548	1,331,539	417,040	140,681	342,345	248,773	3,101,926
Depreciation and amortization	-	132,005	-	-	-	6,482	138,487
Totals	\$ 621,548	\$1,463,544	\$ 417,040	\$ 140,681	\$ 342,345	\$ 255,255	\$3,240,413
Percentage of total expenses	19.2%	45.2%	12.9%	4.3%	10.6%	7.8%	100.0%

Expenses before depreciation and amortization

Contributions
 Program costs
 Direct activity expenses
 Salaries and related expenses
 Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance

Total expenses before depreciation and amortization
 Depreciation and amortization
 Totals

Percentage of total expenses

2014

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Cash Flows

	Years Ended	
	January 31	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Increase in net assets	\$ 5,212,475	\$ 46,990
Adjustments to reconcile increase in net assets to net increase in cash and cash equivalents		
Depreciation and amortization	153,085	138,487
In-kind donations of medical equipment	(174,000)	(151,600)
Changes in assets and liabilities		
(Increase) decrease in grants receivable	(330,182)	37,652
(Increase) in prepaid expenses	(44,029)	(15,000)
Increase (decrease) in accounts payable and accrued	3,832	(2,900)
Increase (decrease) in due to National ALS Association	<u>(279,265)</u>	<u>218,483</u>
Net increase in cash and cash equivalents	4,541,916	272,112
Cash and cash equivalents, beginning of year	<u>2,186,964</u>	<u>1,914,852</u>
Cash and cash equivalents, end of year	<u>\$ 6,728,880</u>	<u>\$2,186,964</u>
 Consists of:		
Operating	\$ 2,728,880	\$2,186,964
Designated	<u>4,000,000</u>	<u>-</u>
Total	<u>\$ 6,728,880</u>	<u>\$2,186,964</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Notes to Financial Statements January 31, 2015 and January 31, 2014

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 \$10 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, 15,000 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 consist of amounts that can be spent at the discretion of the Association. The net assets also include those funds that are designated for specific purposes by the Board of Directors.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2015 and January 31, 2014****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Board-designated

During the summer of 2014 the Association generated significant revenue from the ALS Ice Bucket Challenge, a highly successful fund raising activity. The additional revenue will enable the Association to expand the funding of important programs consistent with its mission. The Board of Directors has approved a plan that allocates approximately 60% of the funds for research and 40% for patient care programs. Programs approved to date include \$1,250,000 in support of a new ALS research program at the New York Genome Center and \$550,000 to support a new ALS clinic at Columbia University Medical Center. The Board also established The Challenge Fund (the “Fund”) with the balance of the Ice Bucket Challenge revenue that had yet to be spent during fiscal 2015. The Fund was initially financed with \$4,000,000 and the Board established a policy statement governing investment of the Fund for the stated purpose of supporting the Association’s research and patient services programs.

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, 2015, 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

As of January 31, 2015 and January 31, 2014, the Association deems its grants receivable to be collectible and, therefore, has not provided for an allowance for possibly uncollectible amounts. Such estimate is based on management’s experience, the aging of the receivables, subsequent receipts and economic conditions.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2015 and January 31, 2014****Note 2 – Summary of significant accounting policies (continued)****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. During fiscal 2014, fully depreciated office property and medical equipment with an original cost of \$848,691 were deleted from the records of the Association.

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 medical 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.

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 accounting principles generally accepted in the United States of America 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.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Notes to Financial Statements (continued)

January 31, 2015 and January 31, 2014

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

The Association has evaluated events and transactions for potential recognition or disclosure through July 20, 2015, 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, 2015 and January 31, 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Medical equipment	\$ 703,461	\$ 529,461
Leasehold improvements	25,344	25,344
Office equipment	20,481	20,481
Furniture and fixtures	<u>12,262</u>	<u>12,262</u>
Sub-total	761,548	587,548
Less: Accumulated depreciation and amortization	<u>571,725</u>	<u>418,640</u>
Total	<u>\$ 189,823</u>	<u>\$ 168,908</u>

Note 4 – Analysis of special events

	<u>Sports Dinner</u>		<u>Chapter Sponsored Events</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Gross revenue	\$ 999,066	\$ 939,865	\$3,193,547	\$2,306,284	\$4,192,613	\$3,246,149
Less expenses	<u>437,233</u>	<u>389,606</u>	<u>1,055,573</u>	<u>672,666</u>	<u>1,492,806</u>	<u>1,062,272</u>
Net revenue from special events	<u>\$ 561,833</u>	<u>\$ 550,259</u>	<u>\$2,137,974</u>	<u>\$1,633,618</u>	<u>\$2,699,807</u>	<u>\$2,183,877</u>

Note 5 – Revenue sharing

Revenue sharing to the National ALS Association for the 2015 and 2014 fiscal years totaled \$665,848 and \$279,265, respectively, which was allocated to program and support services based on the National ALS Association's current revenue sharing plan agreement. In addition, during the 2015 fiscal year, the National ALS Association awarded the Association a revenue share grant equal to the revenue share total as a one-time initiative grant.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2015 and January 31, 2014**

Note 6 – Lease agreement

In October 2008, the Association entered into an 11-year lease agreement for office space. Occupancy expense for the 2015 and 2014 fiscal years totaled \$228,873 and \$208,914, respectively.

At January 31, 2015 future minimum lease payments under the agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 204,400
2017	210,532
2018	216,848
2019	223,353
2020	<u>230,054</u>
Total	<u>\$ 1,085,187</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.

Temporarily restricted net assets are available for the following purposes as of January 31, 2015 and January 31, 2014:

<u>Purpose</u>	<u>2015</u>			
	<u>Balance at January 31, 2014</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2015</u>
Research	\$ 12,571	\$ -	\$ -	\$ 12,571
Patient services	102,559	139	(25,409)	77,289
Time restricted	<u>50,000</u>	<u>885,630</u>	<u>(50,000)</u>	<u>885,630</u>
Total	<u>\$ 165,130</u>	<u>\$ 885,769</u>	<u>\$ (75,409)</u>	<u>\$ 975,490</u>
<u>Purpose</u>	<u>2014</u>			
	<u>Balance at January 31, 2013</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2014</u>
Research	\$ 12,571	\$ -	\$ -	\$ 12,571
Patient services	113,716	172	(11,329)	102,559
Time restricted	<u>100,367</u>	<u>50,000</u>	<u>(100,367)</u>	<u>50,000</u>
Total	<u>\$ 226,654</u>	<u>\$ 50,172</u>	<u>\$(111,696)</u>	<u>\$ 165,130</u>

THE ALS ASSOCIATION. – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2015 and January 31, 2014****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 2015 and 2014 fiscal years totaled \$27,442 and \$19,676, 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, 2015 and January 31, 2014, no amounts were recognized for tax benefits resulting from uncertain income tax positions. The Association's tax returns for the fiscal year 2012 and forward are subject to the usual review by the appropriate authorities.