

**THE ALS ASSOCIATION -
GREATER NY CHAPTER**

**Financial Statements
and
Supplementary Information
for the years ended
January 31, 2022
and
January 31, 2021**

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of The ALS Association – Greater NY Chapter (the “ALS - GNY”), which comprise the statement of financial position as of January 31, 2022 and January 31, 2021 and the related statements of activities, functional expenses, and cash flows for the years 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 the ALS - GNY as of January 31, 2022 and January 31, 2021 and the result 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the ALS - GNY 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 the ALS - GNY's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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 the ALS - GNY'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 the ALS - GNY'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of State Financial Assistance is presented for 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2022 on our consideration of the ALS - GNY's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ALS - GNY's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ALS - GNY's internal control over financial reporting and compliance.

Carrie Dileasa McCreary & Donnelly LLP

September 8, 2022

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Financial Position

Assets

	<u>January 31</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,578,527	\$ 1,088,403
Investments, at fair value – designated	4,331,706	4,259,963
Grants receivable	982,953	496,991
Prepaid expenses	127,394	105,964
Leasehold improvements, office property and equipment, net	59,857	70,239
Security deposit	<u>28,458</u>	<u>52,788</u>
Total assets	<u>\$ 7,108,895</u>	<u>\$ 6,074,348</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued	\$ 135,769	\$ 38,740
Deferred rent	<u>244,956</u>	<u>228,204</u>
Total liabilities	<u>380,725</u>	<u>266,944</u>

Net assets

Without donor restrictions		
Operating	1,923,847	1,066,746
Board-designated fund	<u>4,331,706</u>	<u>4,259,963</u>
Total without donor restrictions	6,255,553	5,326,709
With donor restrictions	<u>472,617</u>	<u>480,695</u>
Total net assets	<u>6,728,170</u>	<u>5,807,404</u>
Total liabilities and net assets	<u>\$ 7,108,895</u>	<u>\$ 6,074,348</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Activities

Years Ended January 31

	2022				2021			
	Without Donor Restrictions		Board-		Without Donor Restrictions		Board-	
	Operating	Total	Designated Fund	With Donor Restrictions	Operating	Total	Designated Fund	With Donor Restrictions
Public support and revenue								
Contributions	\$2,348,048	\$3,331,001	\$ -	\$ 982,953	\$1,191,054	\$ 42,402	\$ 496,991	\$1,730,447
Government grants – PPP	445,767	445,767	-	-	444,457	-	-	444,457
Employee retention credit	338,475	338,475	-	-	-	-	-	-
Gross revenue from special events	2,273,197	2,273,197	-	-	1,850,331	-	-	1,850,331
Total public support and revenue	5,405,487	6,388,440	-	982,953	3,485,842	42,402	496,991	4,025,235
Less: Expenses from special events	771,856	771,856	-	-	724,035	-	-	724,035
Net revenue from charitable activities	4,633,631	5,616,584	-	982,953	2,761,807	42,402	496,991	3,301,200
Investment return and other								
Investment return	1,093	72,836	71,743	-	393	356,507	5	356,905
Net assets released from restrictions	991,031	991,031	-	(991,031)	155,885	-	(155,885)	-
Net revenue available for ALS - GNY's mission	5,625,755	5,689,420	71,743	(8,078)	2,918,085	398,909	341,111	3,658,105
Expenses								
Program services								
Research and grants	682,752	832,752	150,000	-	238,491	190,000	-	428,491
Patient services and support	2,611,144	2,611,144	-	-	2,068,480	280,000	-	2,348,480
Public awareness and education	296,834	296,834	-	-	288,176	-	-	288,176
Advocacy	216,782	216,782	-	-	192,544	-	-	192,544
Total program services	3,807,512	3,957,512	150,000	-	2,787,691	470,000	-	3,257,691
Supporting activities								
Fundraising	431,299	431,299	-	-	409,995	-	-	409,995
General and administrative	379,843	379,843	-	-	287,049	-	-	287,049
Total supporting activities	811,142	811,142	-	-	697,044	-	-	697,044
Total expenses	4,618,654	4,768,654	150,000	-	3,484,735	470,000	-	3,954,735
Increase (decrease) in net assets before interfund transfer	1,007,101	920,766	(78,257)	(8,078)	(566,650)	(71,091)	341,111	(296,630)
Interfund transfer	(150,000)	-	150,000	-	(250,000)	250,000	-	-
Increase (decrease) in net assets	857,101	920,766	71,743	(8,078)	(816,650)	178,909	341,111	(296,630)
Net assets, beginning of year	1,066,746	5,326,709	4,259,963	480,695	1,883,396	4,081,054	139,584	6,104,034
Net assets, end of year	\$1,923,847	\$6,255,553	\$4,331,706	\$ 472,617	\$1,066,746	\$4,259,963	\$ 480,695	\$5,807,404

See notes to financial statements.

THE ALS ASSOCIATION - GREATER NY CHAPTER

Statement of Functional Expenses

Year Ended January 31, 2022

	Program Services			Supporting Activities					
	Research and Grants	Patient Services and Support	Public Awareness and Education	General and Advocacy	Total	Fundraising	Direct cost of Special Events	Administrative	Total
Expenses	\$ 832,752	\$ -	\$ 49,046	\$ -	\$ 832,752	\$ -	\$ -	\$ -	\$ 832,752
Contributions	-	1,062,382	-	-	1,111,428	-	-	-	1,111,428
Program costs	-	-	35,510	-	35,510	86,581	431,759	141,774	660,114
Direct activity costs	-	1,277,310	210,888	154,278	1,642,476	293,384	294,267	201,393	2,431,520
Salaries and related costs	-	-	-	-	-	-	-	-	-
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	223,497	36,900	26,994	287,391	51,334	45,830	35,239	419,794
Total expenses before depreciation and amortization	832,752	2,563,189	296,834	216,782	3,909,557	431,299	771,856	378,406	5,491,118
Depreciation and amortization	-	47,955	-	-	47,955	-	-	1,437	49,392
Total expenses	832,752	2,611,144	296,834	216,782	3,957,512	431,299	771,856	379,843	5,540,510
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	-	(771,856)	-	(771,856)
Total expenses reported by function on the statement of activities	\$ 832,752	\$ 2,611,144	\$ 296,834	\$ 216,782	\$ 3,957,512	\$ 431,299	\$ -	\$ 379,843	\$ 4,768,654
Percentage of total expenses	17.3%	54.8%	6.2%	4.5%	83.0%	9.0%	-%	8.0%	100.0%

Total expenses reported by function on the statement of activities

Percentage of total expenses

2022

Year Ended January 31, 2021

	Program Services			Supporting Activities					
	Research and Grants	Patient Services and Support	Public Awareness and Education	General and Advocacy	Total	Fundraising	Direct cost of Special Events	Administrative	Total
Expenses	\$ 428,491	\$ -	\$ 54,759	\$ -	\$ 428,491	\$ -	\$ -	\$ -	\$ 428,491
Contributions	-	829,313	-	-	884,072	-	-	-	884,072
Program costs	-	-	35,415	-	35,415	91,141	355,609	93,554	540,304
Direct activity costs	-	1,278,388	204,623	133,570	1,616,581	279,520	313,186	168,366	2,377,653
Salaries and related costs	-	-	-	-	-	-	-	-	-
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	179,992	28,794	23,559	232,345	39,334	55,240	23,692	350,611
Total expenses before depreciation and amortization	428,491	2,287,693	288,176	192,544	3,196,904	409,995	724,035	285,612	4,616,546
Depreciation and amortization	-	60,787	-	-	60,787	-	-	1,437	62,224
Total expenses	428,491	2,348,480	288,176	192,544	3,257,691	409,995	724,035	287,049	4,678,770
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	-	(724,035)	-	(724,035)
Total expenses reported by function on the statement of activities	\$ 428,491	\$ 2,348,480	\$ 288,176	\$ 192,544	\$ 3,257,691	\$ 409,995	\$ -	\$ 287,049	\$ 3,954,735
Percentage of total expenses	10.8%	59.4%	7.3%	4.9%	82.4%	10.4%	-%	7.2%	100.0%

Percentage of total expenses

2021

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Cash Flows

	Years Ended	
	January 31	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 920,766	\$ (296,630)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	49,392	62,224
In-kind donations of medical equipment	(39,010)	(25,000)
Unrealized (gain) loss on investments	113,871	(162,616)
Realized (gain) on sale of investments	(15,815)	(74,192)
Donated stocks	(21,055)	(14,153)
Proceeds from donated stocks	20,826	14,174
Realized (gain) loss on sale of donated stocks	229	(21)
Changes in assets and liabilities		
Decrease in due from National ALS Association	-	74,421
(Increase) in grants receivable	(485,962)	(19,109)
(Increase) decrease in prepaid expenses	(21,430)	35,050
Decrease in security deposit	24,330	-
Increase in accounts payable and accrued	97,029	10,898
Increase in deferred rent	16,752	84,796
Net cash provided by (used in) operating activities	<u>659,923</u>	<u>(310,158)</u>
Cash flows from investing activities		
Purchase of investments	(319,770)	(161,295)
Proceeds from sale of investments	150,000	470,000
Net change in money market funds	<u>(29)</u>	<u>(250,806)</u>
Net cash provided by (used in) investing activities	<u>(169,799)</u>	<u>57,899</u>
Net increase (decrease) in cash and cash equivalents	490,124	(252,259)
Cash and cash equivalents, beginning of year	<u>1,088,403</u>	<u>1,340,662</u>
Cash and cash equivalents, end of year	<u>\$ 1,578,527</u>	<u>\$ 1,088,403</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Notes to Financial Statements January 31, 2022 and January 31, 2021

Note 1 – Nature of charitable organization

The mission of The ALS Association – Greater New York Chapter (the “ALS - GNY”) is to discover treatments and a cure for ALS, and to serve, advocate for, and empower people affected by ALS to live their lives to the fullest.

Principal Activities

The ALS - GNY provides a wide range of services for people with ALS and their families living in New York City, Long Island, Westchester, Hudson Valley, and Northern and Central New Jersey. The ALS - GNY sponsors ten multidisciplinary clinics in the region, makes loan of medical equipment and assistive communication devices, holds patient education symposia and monthly support groups, conducts home visits, provides transportation to quarterly clinic appointments, and offers social work and referral services.

The ALS - GNY supports the funding of cutting-edge research taking place across the world. From individual projects to global collaborations, we provide funding to experts in a variety of scientific focus areas critical to advancing the search for effective treatments and a cure. Since 1995, the ALS - GNY has expended approximately \$15.2 million on ALS-specific basic science and translational research.

Through external relations, our website, and social media, the ALS - GNY continually raises awareness about ALS and the search for a cure. On average, 17,000 viewers visit our website quarterly, a vital source of information for those battling ALS and people looking for the latest news about the disease. Our social media channels including Facebook, Twitter, and Instagram reach nearly 13,000 followers.

The ALS - GNY is the largest and most influential national advocacy organization in the United States focused solely on ALS. Our goal is to educate the public as well as policy makers at the state and federal level, and to drive toward smart decisions about ALS – related to research, treatment, and access to care. At the federal level, The ALS - GNY has been instrumental in securing annual funding for the Department of Defense’s ALS Research Program, National ALS Registry at the Centers for Disease Control, and the National Institutes of Health ALS Research Program. At the state level, The ALS - GNY continues to build relationships with the state legislatures to secure government funding for care services that directly benefits people with ALS and their families.

Note 2 – Summary of significant accounting policies

Net assets

Without donor restrictions

Net assets without donor restrictions consist of amounts that can be spent at the discretion of the ALS - GNY. The net assets also include those funds that are designated for specific purposes by ALS – GNY’s Board of Directors (the “Board”).

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Without donor restrictions (continued)Board-designatedThe Challenge Fund:

During the summer of 2014, the ALS - GNY generated significant revenue from the ALS Ice Bucket Challenge, a highly successful fundraising activity. The Board established The Challenge Fund (the “Fund”) with the revenue that was raised from that activity. The Fund enables the ALS - GNY to expand the funding of important programs consistent with its mission. The Fund was initially financed with \$5,250,000 and the Board established a policy statement governing investment of the Fund for the stated purpose of supporting the ALS - GNY’s research and patient services programs. The Board has approved a plan that allocates approximately 60% of the funds for research and 40% for patient care programs.

To date, the Challenge Fund distributions include:

Fiscal year 2015:

\$1,250,000 to support a new ALS research program at the New York Genome Center.

Fiscal year 2016:

Patient Services:

\$185,000 to support a new multidisciplinary ALS treatment clinic at Columbia University Medical Center.

\$15,000 to purchase durable medical and augmentative communication equipment for the patient equipment loan program.

Research:

\$350,000 to support the Genomic Translation for ALS Clinical Care (GTAC) research initiative at Columbia University Medical Center.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Without donor restrictions (continued)Board-designated (continued)The Challenge Fund: (continued)

Fiscal year 2017:

Patient Services:

\$250,000 to support services at ALS treatment centers.

Research:

\$350,000 to support year two funding of the Genomic Translation for ALS Clinical Care (GTAC) research initiative at Columbia University Medical Center.

Fiscal year 2018:

Patient Services

\$250,000 to support services at ALS treatment centers.

Research

\$350,000 to support the NY Genome Center's ALS Research Program at its Center for Genomics of Neurodegenerative Disease (Phatnani Lab).

Fiscal year 2019:

Patient Services

\$250,000 to support services at ALS treatment centers.

Research

\$350,000 to support the NY Genome Center's ALS Research Program at its Center for Genomics of Neurodegenerative Disease (Phatnani Lab).

\$50,000 to support the Milton Safenowitz Postdoctoral Fellowship Program.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Without donor restrictions (continued)Board-designated (continued)The Challenge Fund: (continued)

Fiscal year 2020:

Patient Services

\$250,000 to support services at ALS treatment centers.

Research

\$300,000 to support the NY Genome Center's ALS Research Program at its Center for Genomics of Neurodegenerative Disease (Phatnani Lab).

\$100,000 to support the Milton Safenowitz Postdoctoral Fellowship Program.

Fiscal year 2021:

Patient Services

\$210,000 to support services at ALS treatment centers.

Research

\$190,000 to support the Milton Safenowitz Postdoctoral Fellowship Program.

Fiscal year 2022:

Research

\$150,000 to support the Milton Safenowitz Postdoctoral Fellowship Program.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Without donor restrictions (continued)Board-designated (continued)The Ramey Fund:

Initially financed during fiscal year 2016 with \$1 million from a generous bequest from the Estate of Macaria Ramey, the Fund was established to support the ALS - GNY's patient services programs. In fiscal year 2017, \$668,500 in additional distributions received from the Estate were added to the Ramey Fund.

During the 2019 fiscal year, the Board approved a grant of \$70,000 to support services at ALS treatment centers.

During the 2020 fiscal year, the Board approved a grant of \$70,000 to support services at ALS treatment centers, as well as \$30,000 to purchase equipment for the ALS - GNY's Equipment Loan Program for patients.

During the 2021 fiscal year, the Board approved a grant of \$70,000 to support services at ALS treatment centers.

Capital Management Fund:

Per an October 6, 2016 Board Resolution, the ALS - GNY established the Capital Management Fund in accordance with its Investment Policy. Initially financed during fiscal year 2017 with \$500,000 in savings account reserves, the Capital Management Fund was established in order to responsibly invest the ALS - GNY's assets but still be able to access funds in order to be able to take advantage of important research and patient services program funding opportunities when they arise.

During the 2022 and 2021 fiscal years, the Board approved a transfer in the amount of \$150,000 and \$250,000, respectively, from the ALS - GNY's operating account to the Capital Management Fund in order to take advantage of the investment account's more favorable rate of return. Additionally, a bequest donation in the amount of \$42,402, was also added to the Capital Management Fund during the 2021 fiscal year.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)With donor restrictions

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, net assets with donor restrictions will be reclassified to net assets without donor restrictions and reported in the financial statement as net assets released from restrictions. The ALS - GNY's policy is to record, as net assets without donor restrictions revenue, contributions when donor-imposed restrictions are met in the same year that the contributions are received. At January 31, 2022, the balance in net assets with donor restrictions will be used to fund the programs described in note 1.

Cash equivalents

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

Investments

The fair value of the investments is based on publicly quoted prices. Interest, dividends, realized and unrealized gains and losses on the investments are included in investment return in the statement of activities.

Fair value measurements

For assets measured at fair value on a recurring basis as of January 31, 2022 and January 31, 2021, accounting principles generally accepted in the United States of America require quantitative disclosures about the fair value measurements separately for each major class of assets. The ALS - GNY's investments have all been classified in the highest level of hierarchy (Level 1). Their quoted prices are in active markets for identical assets.

Allowance for doubtful accounts

As of January 31, 2022 and January 31, 2021, the ALS - GNY 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.

Leasehold improvements, office property and equipment

The ALS - GNY 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.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 2 – Summary of significant accounting policies (continued)**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 ALS - GNY'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 net assets without donor restrictions, and restrictions on the use of cash donations for the purchase thereof are considered met when the assets are purchased.

Government grants

Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. Revenue from government agencies are subject to audit by the agencies. No provision for any disallowance is reflected in the financial statements, since management does not anticipate any material adjustments.

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. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

Concentrations of credit risk

The ALS - GNY's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The ALS - GNY 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 ALS - GNY has not experienced any losses on these accounts to date. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at January 31, 2022. The ALS - GNY routinely assesses the financial strength of its cash, cash equivalents and investment portfolio and monitors its receivables on an ongoing basis. Accordingly, the ALS - GNY believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, investments 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, 2022 and January 31, 2021**

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

The ALS - GNY has evaluated events and transactions for potential recognition or disclosure through September 8, 2022, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

The following is a summary of the ALS - GNY's financial assets as of January 31, 2022 and January 31, 2021 available to meet cash needs for general expenditures within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,578,527	\$ 1,088,403
Grants receivables	982,953	496,991
Total financial assets as of year end	<u>\$ 2,561,480</u>	<u>\$ 1,585,394</u>

As part of the ALS - GNY's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the ALS - GNY invests cash in excess of daily requirements in short-term investments. The ALS - GNY's Board-designated endowment assets total \$4,331,706 at January 31, 2022. Although the ALS - GNY does not intend to spend from its Board-designated endowment other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its Board-designated funds could be made available, if necessary.

Note 4 – Investments

At January 31, 2022 and January 31, 2021, investments consist of the following:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 288,253	\$ 288,253	\$ 288,224	\$ 288,224
Mutual funds				
Vanguard Life Strategy Conservative Growth Investor Fund	1,878,769	2,197,457	1,773,979	2,126,975
Vanguard Life Strategy Income Fund	<u>1,704,973</u>	<u>1,845,996</u>	<u>1,624,178</u>	<u>1,844,764</u>
Total mutual funds	<u>3,583,742</u>	<u>4,043,453</u>	<u>3,398,157</u>	<u>3,971,739</u>
Total investments	<u>\$3,871,995</u>	<u>\$4,331,706</u>	<u>\$3,686,381</u>	<u>\$4,259,963</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021**

Note 4 – Investments (continued)

The investment return for the years ended January 31, 2022 and January 31, 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 171,121	\$ 120,076
Unrealized gain (loss)	(113,871)	162,616
Realized gain on sale of investments	15,815	74,192
Realized gain (loss) on sale of donated stocks	<u>(229)</u>	<u>21</u>
Investment return	<u>\$ 72,836</u>	<u>\$ 356,905</u>

Note 5 – Grants receivable

Grants receivable at January 31, 2022 are expected to be collected during the 2023 fiscal year.

Note 6 – Leasehold improvements, office property and equipment

A summary of leasehold improvements, office property, equipment and accumulated depreciation and amortization as of January 31, 2022 and January 31, 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Medical equipment	\$1,298,306	\$1,259,296
Leasehold improvements	25,344	25,344
Office equipment	20,481	20,481
Furniture and fixtures	<u>25,084</u>	<u>25,084</u>
Sub-total	1,369,215	1,330,205
Less: Accumulated depreciation and amortization	<u>1,309,358</u>	<u>1,259,966</u>
Total	<u>\$ 59,857</u>	<u>\$ 70,239</u>

Note 7 – Analysis of special events

	<u>Sports Dinner</u>		<u>ALS - GNY Sponsored Events</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Gross revenue	\$ 370,511	\$ 386,062	\$1,902,686	\$1,464,269	\$2,273,197	\$1,850,331
Less expenses	<u>122,951</u>	<u>147,233</u>	<u>648,905</u>	<u>576,802</u>	<u>771,856</u>	<u>724,035</u>
Net revenue from special events	<u>\$ 247,560</u>	<u>\$ 238,829</u>	<u>\$1,253,781</u>	<u>\$ 887,467</u>	<u>\$1,501,341</u>	<u>\$1,126,296</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 8 – Revenue sharing**

Revenue sharing to the National ALS Association for the 2022 and 2021 fiscal years totaled \$253,530 and \$291,363, respectively, which was allocated to program services and support activity based on the National ALS Association's current revenue sharing plan agreement.

Note 9 – Paycheck protection program loans**2020 PPP loan**

The ALS - GNY applied for and in May 2020, received \$444,457 under the Paycheck Protection Program ("PPP") which is a business loan program. For the year ended January 31, 2021, the ALS - GNY elected to record the loan proceeds as a loan until forgiveness is authorized. On November 12, 2020, the loan and accrued interest was forgiven in full and the ALS - GNY recorded the proceeds as a government grant on the 2021 statement of activities.

2021 PPP loan

The ALS - GNY applied for and in February 2021 received a second PPP loan of \$445,767 under terms similar to the first PPP loan. On November 16, 2021, the loan and accrued interest was forgiven in full and the ALS - GNY recorded the proceeds as a government grant on the 2022 statement of activities.

Note 10 – Employee retention credit

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act and subsequent legislations (the "Acts") were signed into law. The Acts provided, among other things, a refundable credit of certain qualified wages per employee for wages which includes medical premiums paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, such credits through January 31, 2022 totaled \$338,475.

Note 11 – Lease agreement

During 2008, the ALS - GNY entered into a lease agreement for office space. During December 2017, the ALS - GNY modified its lease agreement, to acquire additional space and to extend the term of the lease effective May 2018 until June 2028.

Occupancy expense for the 2022 and 2021 fiscal years totaled \$348,414 and \$344,970, respectively.

Effective February 1, 2018, the base rental expense is being recognized on a straight-line basis over the life of the lease rather than in accordance with the actual lease payments. The difference between rent expense incurred by the ALS - GNY on an accrual basis and the rent actually paid is reported as deferred rent liability in the statement of financial position.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021**

Note 11 – Lease agreement (continued)

At January 31, 2022 future minimum lease payments under the modified agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 304,875
2024	312,495
2025	320,307
2026	328,320
2027	336,528
2028 and thereafter	<u>490,988</u>
Total	<u>\$ 2,093,513</u>

Note 12 – Net assets with donor restrictions

Statutory law

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

Net assets with temporary donor restrictions are available for the following purposes as of January 31, 2022 and January 31, 2021:

<u>Purpose</u>	<u>2022</u>			
	<u>Balance at January 31, 2021</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2022</u>
Research	\$ 12,146	\$ -	\$ (12,146)	\$ -
Patient services	29,731	-	(14,517)	15,214
Time restricted	<u>438,818</u>	<u>982,953</u>	<u>(964,368)</u>	<u>457,403</u>
Total	<u>\$ 480,695</u>	<u>\$ 982,953</u>	<u>\$(991,031)</u>	<u>\$ 472,617</u>
<u>Purpose</u>	<u>2021</u>			
	<u>Balance at January 31, 2020</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2021</u>
Research	\$ 12,146	\$ -	\$ -	\$ 12,146
Patient services	39,726	5	(10,000)	29,731
Time restricted	<u>87,712</u>	<u>496,991</u>	<u>(145,885)</u>	<u>438,818</u>
Total	<u>\$ 139,584</u>	<u>\$ 496,996</u>	<u>\$(155,885)</u>	<u>\$ 480,695</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2022 and January 31, 2021****Note 13 – Retirement plan**

The ALS - GNY has a SIMPLE IRA where employees can contribute a portion of their salary not to exceed limits established by the Internal Revenue Code. The ALS - GNY matches employee contributions up to 3% of the employee's compensation. Expense associated with this plan for the 2022 and 2021 fiscal years totaled \$49,070 and \$43,273, respectively.

Note 14 – Tax-exempt status

The ALS - GNY 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 ALS - GNY 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).

**Independent Auditor's Report on Internal Control
Over Financial Reporting
and on Compliance and Other Matters Based
on an Audit of Financial Statements
Performed in Accordance
With *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The ALS Association – Greater NY Chapter (the “ALS - GNY”) which comprise the statement of financial position as of January 31, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated September 8, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the ALS - GNY's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ALS - GNY's internal control. Accordingly, we do not express an opinion on the effectiveness of the ALS - GNY's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the ALS - GNY's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ALS - GNY's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ALS - GNY's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carver DiLearn McCreath & Donnelly LLP

THE ALS ASSOCIATION – GREATER NY CHAPTER**Schedule of Expenditures of State Financial Assistance
For the Year Ended January 31, 2022**

<u>State Grantor/Program Title</u>	<u>Grant Number</u>	<u>Grant Award Period</u>	<u>Total Expenditures</u>
State of New Jersey Department of Health	DCHS22ALS002	7/1/2021- 6/30/2022	<u>\$ 497,858</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended January 31, 2022****1. General information**

The accompanying schedule of expenditures of state financial assistance presents the activities in the state program of The ALS Association – Greater New York Chapter (the “ALS - GNY”). The state financial assistance received directly from the state agency is included on the schedule.

2. Basis of accounting

The accompanying schedule of expenditures of state financial assistance is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to the state funding agency due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. Indirect cost rate

The ALS - GNY did not use an indirect cost rate. All costs were direct payroll costs.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Schedule of Findings and Questioned Costs
For the Year Ended January 31, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:		<u>Unmodified</u>	
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> _____	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	_____ <input checked="" type="checkbox"/> _____	None noted
Noncompliance material to financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> _____	No