

**THE ALS ASSOCIATION -
GREATER NY CHAPTER**

**Financial Statements
and
Supplementary Information
for the years ended
January 31, 2021
and
January 31, 2020**

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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, 2021 and January 31, 2020 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 on the previous page present fairly, in all material respects, the financial position of The ALS Association – Greater NY Chapter as of January 31, 2021 and January 31, 2020 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.

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 August 9, 2021 on our consideration of the Association'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 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 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 Association's internal control over financial reporting and compliance.

Carole Dileasa McCallister & Donnell LLP

August 9, 2021

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Financial Position

Assets

	January 31	
	2021	2020
Cash and cash equivalents	\$ 1,088,403	\$ 1,340,662
Investments, at fair value – designated	4,259,963	4,081,054
Due from National ALS Association	-	74,421
Grants receivable	496,991	477,882
Prepaid expenses	105,964	141,014
Leasehold improvements, office property and equipment, net	70,239	107,463
Security deposit	52,788	52,788
Total assets	\$ 6,074,348	\$ 6,275,284

Liabilities and Net Assets

Liabilities

Accounts payable and accrued	\$ 38,740	\$ 27,842
Deferred rent	228,204	143,408
Total liabilities	266,944	171,250

Net assets

Without donor restrictions		
Operating	1,066,746	1,883,396
Board-designated fund	4,259,963	4,081,054
Total without donor restrictions	5,326,709	5,964,450
With donor restrictions	480,695	139,584
Total net assets	5,807,404	6,104,034
Total liabilities and net assets	\$ 6,074,348	\$ 6,275,284

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Activities

	Years Ended January 31					
	2021			2020		
	Without Donor Restrictions	Board-Designated Fund	Total	Without Donor Restrictions	Board-Designated Fund	Total
Public support and revenue						
Contributions	\$ 42,402	\$ 496,991	\$1,730,447	\$ -	\$ -	\$1,545,122
Government grant – PPP	444,457	-	444,457	-	-	-
Gross revenue from special events	1,850,331	-	1,850,331	3,613,099	-	3,613,099
Total public support and revenue	3,485,842	496,991	4,025,235	5,158,221	-	5,158,221
Less: Expenses from special events	724,035	-	724,035	1,532,320	-	1,532,320
Net revenue from charitable activities	2,761,807	496,991	3,301,200	3,625,901	-	3,625,901
Investment return and other						
Investment return	393	5	356,905	32,356	467,614	499,970
Net assets released from restrictions	155,885	(155,885)	-	542,118	-	542,118
Net revenue available for Association's mission	2,918,085	341,111	3,658,105	4,200,375	467,614	4,667,989
Expenses						
Program services						
Research and grants	238,491	-	428,491	624,839	350,000	974,839
Patient services and support	2,063,480	-	2,348,480	2,593,552	370,000	2,963,552
Public awareness and education	288,176	-	288,176	322,085	-	322,085
Advocacy	192,544	-	192,544	196,188	-	196,188
Total program services	2,787,691	-	3,257,691	3,736,664	720,000	4,456,664
Supporting activities						
Fundraising	409,995	-	409,995	373,656	-	373,656
General and administrative	287,049	-	287,049	301,540	-	301,540
Total supporting activities	697,044	-	697,044	675,196	-	675,196
Total expenses	3,484,735	-	3,954,735	4,411,860	720,000	5,131,860
Increase (decrease) in net assets before interfund transfer	(566,650)	341,111	(296,630)	(211,485)	(252,386)	(463,871)
Interfund transfer	(250,000)	-	-	-	-	-
Increase (decrease) in net assets	(816,650)	341,111	(296,630)	(211,485)	(252,386)	(463,871)
Net assets, beginning of year	1,883,396	4,081,054	5,964,450	2,094,881	4,333,440	6,428,321
Net assets, end of year	\$1,066,746	\$4,259,963	\$5,326,709	\$1,883,396	\$4,081,054	\$5,964,450
		\$ 480,695	\$5,807,404	\$1,883,396	\$4,081,054	\$5,964,450
						\$ 139,584
						\$6,104,034

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Functional Expenses

Year Ended January 31, 2021

	Program Services				Supporting Activities		
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	Administrative	Total
Expenses							
Contributions	\$ 428,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,491
Program costs	-	829,313	54,759	-	-	-	884,072
Direct activity costs	-	-	35,415	133,570	91,141	93,554	220,110
Salaries and related costs	-	1,278,388	204,623	1,616,581	279,520	168,366	2,064,467
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	179,992	28,794	23,559	39,334	23,692	295,371
Total expenses before depreciation and amortization	428,491	2,287,693	288,176	192,544	409,995	285,612	3,892,511
Depreciation and amortization	-	60,787	-	-	-	1,437	62,224
Totals	\$ 428,491	\$2,348,480	\$ 288,176	\$ 192,544	\$ 409,995	\$ 287,049	\$3,954,735

Percentage of total expenses

2021	10.8%	59.4%	7.3%	4.9%	10.4%	7.2%	17.6%	100.0%
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Year Ended January 31, 2020

	Program Services				Supporting Activities		
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	Administrative	Total
Expenses							
Contributions	\$ 974,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 974,839
Program costs	-	1,292,144	88,841	44,691	-	-	1,425,676
Direct activity costs	-	-	-	-	67,368	104,485	171,853
Salaries and related costs	-	1,378,118	202,917	131,799	266,463	170,183	2,149,480
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	205,970	30,327	19,698	39,825	25,435	321,255
Total expenses before depreciation and amortization	974,839	2,876,232	322,085	196,188	373,656	300,103	5,043,103
Depreciation and amortization	-	87,320	-	-	-	1,437	88,757
Totals	\$ 974,839	\$2,963,552	\$ 322,085	\$ 196,188	\$ 373,656	\$ 301,540	\$5,131,860

Percentage of total expenses

2020	19.0%	57.7%	6.3%	3.8%	7.3%	5.9%	13.2%	100.0%
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See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Cash Flows

	Years Ended	
	January 31	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
(Decrease) in net assets	\$ (296,630)	\$ (540,298)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	62,224	88,757
In-kind donations of medical equipment	(25,000)	(62,200)
Unrealized (gain) on investments	(162,616)	(297,145)
Realized (gain) on sale of investments	(74,192)	(76,578)
Donated stocks	(14,153)	(3,044)
Proceeds from donated stocks	14,174	2,990
Realized (gain) loss on sale of donated stocks	(21)	54
Changes in assets and liabilities		
(Increase) decrease in due from National ALS Association	74,421	(21,250)
(Increase) decrease in grants receivable	(19,109)	73,486
(Increase) decrease in prepaid expenses	35,050	(15,101)
Increase (decrease) in accounts payable and accrued	10,898	(387,418)
Increase in deferred rent	<u>84,796</u>	<u>52,747</u>
Net cash (used in) operating activities	<u>(310,158)</u>	<u>(1,185,000)</u>
Cash flows from investing activities		
Purchase of investments	(161,295)	(123,130)
Proceeds from sale of investments	470,000	750,000
Net change in money market funds	<u>(250,806)</u>	<u>(761)</u>
Net cash provided by investing activities	<u>57,899</u>	<u>626,109</u>
Net (decrease) in cash and cash equivalents	(252,259)	(558,891)
Cash and cash equivalents, beginning of year	<u>1,340,662</u>	<u>1,899,553</u>
Cash and cash equivalents, end of year	<u>\$ 1,088,403</u>	<u>\$ 1,340,662</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Notes to Financial Statements January 31, 2021 and January 31, 2020

Note 1 – Nature of charitable organization

The mission of The ALS Association – Greater New York Chapter (the “Association”) 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 Association 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 Association 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 Association 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 Association has expended approximately \$14.4 million on ALS-specific basic science and translational research.

Through external relations, our website, and social media, the Association 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 12,000 followers.

The Association 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 Association 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 Association Greater New York Chapter 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 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, 2021 and January 31, 2020****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 Association 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 Association 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 Association’s research and patient services programs. The Association’s Board of Directors (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, 2021 and January 31, 2020****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, 2021 and January 31, 2020****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.

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 Association'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 of Directors approved a grant of \$70,000 to support services at ALS treatment centers.

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

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

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2021 and January 31, 2020****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Without donor restrictions (continued)Board-designated (continued)Capital Management Fund:

Per an October 6, 2016 Board Resolution, the Association 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 Association'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 2021 fiscal year, the Board of Directors approved a transfer in the amount of \$250,000 from the Association'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.

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 Association'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, 2021, the balance in net assets with donor restrictions 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.

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.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2021 and January 31, 2020****Note 2 – Summary of significant accounting policies (continued)****Fair value measurements**

For assets measured at fair value on a recurring basis as of January 31, 2021 and January 31, 2020, 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 Association'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, 2021 and January 31, 2020, 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.

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.

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 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.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2021 and January 31, 2020**

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, investments 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. 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, 2021. The Association routinely assesses the financial strength of its cash, cash equivalents and investment portfolio and monitors its receivables on an ongoing basis. Accordingly, the Association 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.

Risks and uncertainties

On March 13, 2020, a national emergency was declared due to extraordinary circumstances resulting from the coronavirus. The economic impact of the coronavirus on the Association's future financial operations is not readily determinable.

Subsequent events

The Association has evaluated events and transactions for potential recognition or disclosure through August 9, 2021, 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 Association's financial assets as of January 31, 2021 and January 31, 2020 available to meet cash needs for general expenditures within one year of the statement of financial position date:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,088,403	\$ 1,340,662
Due from National ALS Association	-	74,421
Grants receivables	<u>496,991</u>	<u>477,882</u>
Total financial assets as of year end	\$ <u>1,585,394</u>	\$ <u>1,892,965</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2021 and January 31, 2020**

Note 3 – Liquidity and availability of financial assets (continued)

As part of the Association'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 Association invests cash in excess of daily requirements in short-term investments. The Association's Board-designated endowment assets total \$4,259,963 at January 31, 2021. Although the Association 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, 2021 and January 31, 2020, investments consist of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Money market funds	<u>\$ 288,224</u>	<u>\$ 288,224</u>	<u>\$ 37,418</u>	<u>\$ 37,418</u>
Mutual funds				
Vanguard Life Strategy Conservative Growth Investor Fund	1,773,979	2,126,975	1,869,539	2,121,584
Vanguard Life Strategy Income Fund	<u>1,624,178</u>	<u>1,844,764</u>	<u>1,763,131</u>	<u>1,922,052</u>
Total mutual funds	<u>3,398,157</u>	<u>3,971,739</u>	<u>3,632,670</u>	<u>4,043,636</u>
Total investments	<u>\$3,686,381</u>	<u>\$4,259,963</u>	<u>\$3,670,088</u>	<u>\$4,081,054</u>

The investment return for the years ended January 31, 2021 and January 31, 2020 are as follows:

	2021	2020
Interest and dividends	\$ 120,076	\$ 126,388
Unrealized gain (loss)	162,616	297,145
Realized gain on sale of investments	74,192	76,578
Realized (loss) on sale of donated stocks	<u>21</u>	<u>(54)</u>
Investment return	<u>\$ 356,905</u>	<u>\$ 500,057</u>

Note 5 – Grants receivable

Grants receivable at January 31, 2021 are expected to be collected during the 2022 fiscal year.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2021 and January 31, 2020**

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, 2021 and January 31, 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Medical equipment	\$1,259,296	\$1,234,296
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	1,330,205	1,305,205
Less: Accumulated depreciation and amortization	<u>1,259,966</u>	<u>1,197,742</u>
Total	<u>\$ 70,239</u>	<u>\$ 107,463</u>

Note 7 – Analysis of special events

	<u>Sports Dinner</u>		<u>Association Sponsored Events</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Gross revenue	\$ 386,062	\$ 690,030	\$1,464,269	\$2,923,069	\$1,850,331	\$3,613,099
Less expenses	<u>147,233</u>	<u>410,570</u>	<u>576,802</u>	<u>1,121,750</u>	<u>724,035</u>	<u>1,532,320</u>
Net revenue from special events	<u>\$ 238,829</u>	<u>\$ 279,460</u>	<u>\$ 887,467</u>	<u>\$1,801,319</u>	<u>\$1,126,296</u>	<u>\$2,080,779</u>

Note 8 – Revenue sharing

Revenue sharing to the National ALS Association for the 2021 and 2020 fiscal years totaled \$291,363 and \$280,537, 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 loan

2020 PPP loan

The Association applied for and in May 2020, received \$444,457 under the Paycheck Protection Program ("PPP") which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Association expended the full amount of the loan proceeds on purposes consistent with the PPP and maintained its payroll levels. The Association has, therefore, qualified for full forgiveness of the loan and accrued interest. For the year ended January 31, 2021, the Association 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 Association recorded the proceeds as a government grant on the 2021 statement of activities.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2021 and January 31, 2020**

Note 9 – Paycheck protection program loan (continued)

2021 PPP loan

The Association applied for and in February 2021, received \$445,767 under the Paycheck Protection Program under terms similar to the first PPP loan.

Note 10 – Lease agreement

During 2008, the Association entered into a lease agreement for office space. During December 2017, the Association 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 2021 and 2020 fiscal years totaled \$344,970 and \$344,651, 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 Association on an accrual basis and the rent actually paid is reported as deferred rent liability in the statement of financial position.

At January 31, 2021 future minimum lease payments under the modified agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 297,444
2023	304,875
2024	312,495
2025	320,307
2026	328,320
2027 and thereafter	827,516
Total	<u>\$ 2,390,957</u>

Note 11 – Net assets with donor restrictions

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, 2021 and January 31, 2020**

Note 11 – Net assets with donor restrictions (continued)

Statutory law (continued)

Net assets with temporary donor restrictions are available for the following purposes as of January 31, 2021 and January 31, 2020:

<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>
<u>Purpose</u>	<u>2020</u>			
	<u>Balance at January 31, 2019</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2020</u>
Research	\$ 12,146	\$ -	\$ -	\$ 12,146
Patient services	48,639	87	(9,000)	39,726
Time restricted	<u>155,226</u>	<u>465,604</u>	<u>(533,118)</u>	<u>87,712</u>
Total	<u>\$ 216,011</u>	<u>\$ 465,691</u>	<u>\$(542,118)</u>	<u>\$ 139,584</u>

Note 12 – 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 2021 and 2020 fiscal years totaled \$43,273 and \$48,848, respectively.

Note 13 – 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).

**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***

**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

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 "Association") which comprise the statement of financial position as of January 31, 2021 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 August 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Association'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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carole O'Leary McCall & Donnelly LLP

THE ALS ASSOCIATION – GREATER NY CHAPTER**Schedule of Expenditures of State Financial Assistance
For the Year Ended January 31, 2021**

<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	DFHS18ALS002	7/1/2020- 1/1/2021	<u>\$157,378</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended January 31, 2021****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 “Association”). 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 Association 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, 2021**

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