

**THE ALS ASSOCIATION -
GREATER NY CHAPTER**

**Financial Statements
and
Supplementary Information
for the years ended
January 31, 2023
and
January 31, 2022**

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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, 2023 and January 31, 2022 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, 2023 and January 31, 2022 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.

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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the ALS - GNY has changed its method of accounting for operating leases as of February 1, 2022 due to the adoption of ASU 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to that matter.

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 13, 2023 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.

Carver DeLeon & Donnelly LLP

September 13, 2023

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Financial Position

Assets

	January 31	
	2023	2022
Cash and cash equivalents	\$ 1,821,731	\$ 1,578,527
Investments, at fair value – designated	3,685,155	4,331,706
Grants receivable	503,212	982,953
Prepaid expenses	88,509	127,394
Leasehold improvements, office property and equipment, net	49,087	59,857
Right-of-use asset, net – operating lease	1,329,182	-
Security deposit	28,458	28,458
Total assets	\$ 7,505,334	\$ 7,108,895

Liabilities and Net Assets

Liabilities

Accounts payable and accrued	\$ 36,410	\$ 135,769
Deferred rent	-	244,956
Operating lease liability	1,533,319	-
Total liabilities	1,569,729	380,725

Net assets

Without donor restrictions		
Operating	2,235,236	1,923,847
Board-designated fund	3,685,155	4,331,706
Total without donor restrictions	5,920,391	6,255,553
With donor restrictions	15,214	472,617
Total net assets	5,935,605	6,728,170
Total liabilities and net assets	\$ 7,505,334	\$ 7,108,895

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Activities

	Years Ended January 31					
	2023			2022		
	Operating	Without Donor Restrictions	With Donor Restrictions	Operating	Without Donor Restrictions	With Donor Restrictions
	Board-Designated Fund	Total	Restrictions	Board-Designated Fund	Total	Restrictions
Public support and revenue						
Contributions	\$2,236,792	\$2,236,792	\$ 503,212	\$2,740,004	\$2,348,048	\$ 982,953
Government grants – PPP	-	-	-	-	445,767	-
Employee retention credit	243,035	243,035	-	243,035	338,475	-
Gross revenue from special events	3,023,709	3,023,709	-	3,023,709	2,273,197	-
Total public support and revenue	5,503,536	5,503,536	503,212	6,006,748	5,405,487	982,953
Less: Expenses from special events	1,282,532	1,282,532	-	1,282,532	771,856	-
Net revenue from charitable activities	4,221,004	4,221,004	503,212	4,724,216	4,633,631	982,953
Investment return and other						
Investment return	3,098	(323,453)	-	(323,453)	1,093	-
Net assets released from restrictions	960,615	960,615	(960,615)	-	991,031	(991,031)
Net revenue available for ALS - GNY's mission	5,184,717	4,858,166	(457,403)	4,400,763	5,625,755	(8,078)
Expenses						
Program services						
Research and grants	73,181	643,181	-	643,181	682,752	-
Patient services and support	3,009,180	3,009,180	-	3,009,180	2,611,144	-
Public awareness and education	349,652	349,652	-	349,652	296,834	-
Advocacy	228,929	228,929	-	228,929	216,782	-
Total program services	3,660,942	4,230,942	-	4,230,942	3,807,512	-
Supporting activities						
Fundraising	492,344	492,344	-	492,344	431,299	-
General and administrative	470,042	470,042	-	470,042	379,843	-
Total supporting activities	962,386	962,386	-	962,386	811,142	-
Total expenses	4,623,328	5,193,328	-	5,193,328	4,618,654	-
Increase (decrease) in net assets before interfund transfer	561,389	(896,551)	(457,403)	(792,565)	1,007,101	(8,078)
Interfund transfer	(250,000)	250,000	-	-	(150,000)	-
Increase (decrease) in net assets	311,389	(646,551)	(457,403)	(792,565)	857,101	(8,078)
Net assets, beginning of year	1,923,847	4,331,706	472,617	6,728,170	1,066,746	480,695
Net assets, end of year	\$2,235,236	\$3,685,155	\$ 15,214	\$5,935,605	\$1,923,847	\$ 472,617

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Functional Expenses

Year Ended January 31, 2023

	Program Services			Supporting Activities				
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	Direct cost of Special Events	General and Administrative	Total
Expenses								
Contributions	\$ 643,181	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,181
Program costs	-	1,312,348	75,774	-	-	-	-	1,388,122
Direct activity costs	-	-	-	36,884	126,406	911,720	216,164	1,291,174
Salaries and related costs	-	1,375,256	225,608	158,198	301,443	305,457	207,949	2,573,911
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	294,243	48,270	33,847	64,495	65,355	44,492	550,702
Total expenses before depreciation and amortization	643,181	2,981,847	349,652	228,929	492,344	1,282,532	468,605	6,447,090
Depreciation and amortization	-	27,333	-	-	-	-	1,437	28,770
Total expenses	643,181	3,009,180	349,652	228,929	492,344	1,282,532	470,042	6,475,860
Less: expenses deducted directly on the statement of activities	-	-	-	-	-	(1,282,532)	-	(1,282,532)
Total expenses reported by function on the statement of activities	\$ 643,181	\$ 3,009,180	\$ 349,652	\$ 228,929	\$ 492,344	\$ -	\$ 470,042	\$ 5,193,328

Percentage of total expenses

2023	12.4%	57.9%	6.7%	4.4%	9.5%	-%	9.1%	18.6%	100.0%
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Year Ended January 31, 2022

	Program Services			Supporting Activities				
	Research and Grants	Patient Services and Support	Public Awareness and Education	General and Advocacy	Fundraising	Direct cost of Special Events	Administrative	Total
Expenses								
Contributions	\$ 832,752	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 832,752
Program costs	-	1,062,382	49,046	-	-	-	-	1,111,428
Direct activity costs	-	-	-	35,510	86,581	431,759	141,774	660,114
Salaries and related costs	-	1,277,310	210,888	154,278	293,384	294,267	201,393	2,431,520
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	223,497	36,900	26,994	51,334	45,830	35,239	419,794
Total expenses before depreciation and amortization	832,752	2,563,169	296,834	216,782	431,299	771,856	378,406	5,491,118
Depreciation and amortization	-	47,955	-	-	-	-	1,437	49,392
Total expenses	832,752	2,611,144	296,834	216,782	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	\$ 431,299	\$ -	\$ 379,843	\$ 4,768,654

Percentage of total expenses

2022	17.5%	54.8%	6.2%	4.5%	9.0%	-%	8.0%	17.0%	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>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (792,565)	\$ 920,766
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and amortization	28,770	49,392
Change in right-of-use asset, net -- operating lease	(40,819)	-
In-kind donations of medical equipment	(18,000)	(39,010)
Unrealized loss on investments	436,956	113,871
Realized (gain) on sale of investments	(14,776)	(15,815)
Donated stocks	(20,166)	(21,055)
Proceeds from sale of donated stocks	19,977	20,826
Realized loss on sale of donated stocks	189	229
Changes in assets and liabilities		
(Increase) decrease in grants receivable	479,741	(485,962)
(Increase) decrease in prepaid expenses	38,885	(21,430)
Decrease in security deposit	-	24,330
Increase (decrease) in accounts payable and accrued	(99,359)	97,029
Change in deferred rent	-	16,752
Net cash provided by operating activities	<u>18,833</u>	<u>659,923</u>
Cash flows from investing activities		
Purchase of investments	(489,186)	(319,770)
Proceeds from sale of investments	570,000	150,000
Net change in money market funds	<u>143,557</u>	<u>(29)</u>
Net cash provided by (used in) investing activities	<u>224,371</u>	<u>(169,799)</u>
Net increase in cash and cash equivalents	243,204	490,124
Cash and cash equivalents, beginning of year	<u>1,578,527</u>	<u>1,088,403</u>
Cash and cash equivalents, end of year	<u>\$ 1,821,731</u>	<u>\$ 1,578,527</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Notes to Financial Statements January 31, 2023 and January 31, 2022

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 \$15.8 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, 2023 and January 31, 2022****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, 2023 and January 31, 2022****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, 2023 and January 31, 2022****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.

Fiscal year 2023:

Research

\$200,000 to support the Milton Safenowitz Postdoctoral Fellowship Program.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2023 and January 31, 2022****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.

During the 2023 fiscal year, the Board approved a grant of \$170,000 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 2023 fiscal year, the Board approved a grant of \$200,000 to support the purchase and transition costs for a database system upgrade.

In addition, during the 2023 and 2022 fiscal years, the Board approved a transfer in the amount of \$250,000 and \$150,000, 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.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2023 and January 31, 2022****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)With donor restrictions

Revenue with temporary donor restrictions 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, 2023, 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, 2023 and January 31, 2022, 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, 2023 and January 31, 2022, 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, 2023 and January 31, 2022****Note 2 – Summary of significant accounting policies (continued)**Deferred rent

The ALS - GNY leases office space under an operating lease agreement. Landlord incentives and rent escalation clauses which provide for scheduled rent increases during the lease term are recorded on a straight-line basis over the lease term. The difference between the rent due under the stated periods compared to the straight-line basis are recorded net with the right-of-use asset at January 31, 2023 and as deferred rent at January 31, 2022 in the statement of financial position.

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, 2023. 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.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2023 and January 31, 2022**

Note 2 – Summary of significant accounting policies (continued)

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.

New accounting pronouncement

Effective February 1, 2022, the ALS - GNY adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (“ROU”) model that requires a lessee to record a ROU asset, which represents the right to use a respective asset for the lease term, and a lease liability on the statement of financial position at the present value of the remaining future payments due under the lease. In connection with the adoption of FASB ASC 842, the ALS - GNY recognized a net ROU asset of \$1,593,238 and an operating lease liability of \$1,838,194. The ALS - GNY has elected to use a rate of 5% to discount its office lease to its net present value. The ALS - GNY’s reporting for the comparative period presented in the financial statements is in accordance with previous lease accounting standards. The ALS - GNY has elected not to record leases with an initial term of 12 months or less on the statement of financial position.

Subsequent events

The ALS - GNY has evaluated events and transactions for potential recognition or disclosure through September 13, 2023, which is the date the financial statements were available to be issued.

During the 2024 fiscal year, the ALS -- GNY and 14 other National ALS Association Chapters settled litigation and separated from the National ALS Association. In addition, during July 2023, ALS – GNY restated its certificate of incorporation amending its name to ALS United Greater New York, Inc.

Note 3 – Liquidity and availability of financial assets

The following is a summary of the ALS - GNY’s financial assets as of January 31, 2023 and January 31, 2022 available to meet cash needs for general expenditures within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,821,731	\$ 1,578,527
Grants receivables	503,212	982,953
Total financial assets as of year end	<u>\$ 2,324,943</u>	<u>\$ 2,561,480</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2023 and January 31, 2022**

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

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 \$3,685,155 at January 31, 2023. 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, 2023 and January 31, 2022, investments consist of the following:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 144,696	\$ 144,696	\$ 288,253	\$ 288,253
Mutual funds				
Vanguard Life Strategy Conservative Growth Investor Fund	1,863,996	1,935,017	1,878,769	2,197,457
Vanguard Life Strategy Income Fund	<u>1,653,708</u>	<u>1,605,442</u>	<u>1,704,973</u>	<u>1,845,996</u>
Total mutual funds	<u>3,517,704</u>	<u>3,540,459</u>	<u>3,583,742</u>	<u>4,043,453</u>
Total investments	<u>\$3,662,400</u>	<u>\$3,685,155</u>	<u>\$3,871,995</u>	<u>\$4,331,706</u>

The investment return for the years ended January 31, 2023 and January 31, 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 98,916	\$ 171,121
Unrealized (loss)	(436,956)	(113,871)
Realized gain on sale of investments	14,776	15,815
Realized (loss) on sale of donated stocks	<u>(189)</u>	<u>(229)</u>
Investment return	<u>\$ (323,453)</u>	<u>\$ 72,836</u>

Note 5 – Grants receivable

Grants receivable at January 31, 2023 are expected to be collected during the 2024 fiscal year.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2023 and January 31, 2022**

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, 2023 and January 31, 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Medical equipment	\$1,316,306	\$1,298,306
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	1,387,215	1,369,215
Less: Accumulated depreciation and amortization	<u>1,338,128</u>	<u>1,309,358</u>
Total	<u>\$ 49,087</u>	<u>\$ 59,857</u>

Note 7 – Analysis of special events

	Sports Dinner		ALS - GNY Sponsored Events		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Gross revenue	\$ 464,958	\$ 370,511	\$2,558,751	\$1,902,686	\$3,023,709	\$2,273,197
Less expenses	<u>352,774</u>	<u>122,951</u>	<u>929,758</u>	<u>648,905</u>	<u>1,282,532</u>	<u>771,856</u>
Net revenue from special events	<u>\$ 112,184</u>	<u>\$ 247,560</u>	<u>\$1,628,993</u>	<u>\$1,253,781</u>	<u>\$1,741,177</u>	<u>\$1,501,341</u>

Note 8 – Revenue sharing

Revenue sharing to the National ALS Association for the 2023 and 2022 fiscal years totaled \$451,674 and \$253,530, respectively, which was allocated to program services and support activity based on the National ALS Association's revenue sharing plan agreement. Revenue share obligations to the National ALS Association ceased in their entirety on June 9, 2023.

Note 9 – Paycheck protection program loan

The ALS - GNY applied for and in February 2021, received \$444,457 under the Paycheck Protection Program ("PPP") which was a business loan program. For the year ended January 31, 2022, the ALS - GNY elected to record the loan proceeds as a loan until forgiveness was authorized. 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.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2023 and January 31, 2022**

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 for the years ended January 31, 2023 and January 31, 2022 totaled \$243,035 and \$338,475, respectively.

Note 11 – Operating lease

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 2023 and 2022 fiscal years totaled \$280,801 and \$348,414, respectively.

At January 31, 2023 future minimum lease payments under the modified agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2024	\$ 312,495
2025	320,307
2026	328,320
2027	336,528
2028	<u>490,988</u>
Total	1,788,638
Less: present value discount	<u>255,319</u>
Operating lease liability	<u>\$ 1,533,319</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2023 and January 31, 2022**

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, 2023 and January 31, 2022:

<u>Purpose</u>	<u>2023</u>			
	<u>Balance at January 31, 2022</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2023</u>
Patient services	\$ 15,214	\$ -	\$ -	\$ 15,214
Time restricted	<u>457,403</u>	<u>503,212</u>	<u>(960,615)</u>	<u>-</u>
Total	<u>\$ 472,617</u>	<u>\$ 503,212</u>	<u>\$ (960,615)</u>	<u>\$ 15,214</u>
<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>

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 2023 and 2022 fiscal years totaled \$51,245 and \$49,070, respectively.

Note 14 – Tax-exempt status

The ALS - GNY is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), under the National ALS Association's group 501(c)(3) exemption until September 1, 2023, which has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation under the meaning of Section 509(a) of the Code.

During the 2024 fiscal year, the ALS - GNY filed Form 1023, Application for Recognition of Exemption under section 501(c)(3) of the Code, requesting independent tax-exempt status.

**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 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, 2023 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 13, 2023.

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 the 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.

Carole O'Leary Sullivan & Donnelly LLP

THE ALS ASSOCIATION – GREATER NY CHAPTER**Schedule of Expenditures of State Financial Assistance
For the Year Ended January 31, 2023**

<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	7/1/2022- 6/30/2023	\$ <u>497,850</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended January 31, 2023****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, 2023**

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	<u> √ </u>	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	_____ Yes	<u> √ </u>	None noted
Noncompliance material to financial statements noted?	_____ Yes	<u> √ </u>	No