

**THE ALS ASSOCIATION -  
GREATER NY CHAPTER**

**Financial Statements  
for the year ended  
January 31, 2011  
(with summarized comparative financial  
information for the year ended  
January 31, 2010)**

**Independent Auditors' Report**

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

We have audited the accompanying statement of financial position of The ALS Association - Greater NY Chapter (the "Association") as of January 31, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative financial information has been derived from the Association's fiscal 2010 financial statements and, in a report dated August 4, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ALS Association - Greater NY Chapter at January 31, 2011 and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Condon O'Meara McGinty & Donnelly LLP*

June 8, 2011

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Statement of Financial Position**

**Assets**

	<b>January 31</b>	
	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	\$1,853,046	\$1,900,074
Grants receivable and other	57,026	160,119
Leasehold improvements, office property and equipment, net	191,555	286,731
Security deposit	40,325	40,325
<b>Total assets</b>	<b>\$2,141,952</b>	<b>\$2,387,249</b>

**Liabilities and Net Assets**

**Liabilities**

Accounts payable and accrued	\$ 32,959	\$ 3,987
National ALS Association	-	378,719
Total liabilities	32,959	382,706

**Net assets**

Unrestricted	1,948,585	1,816,865
Temporarily restricted	160,408	187,678
Total net assets	2,108,993	2,004,543

<b>Total liabilities and net assets</b>	<b>\$2,141,952</b>	<b>\$2,387,249</b>
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**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Statement of Activities  
for the Year Ended January 31, 2011  
(with Summarized Comparative Financial Information  
for the Year Ended January 31, 2010)**

	2011			2010
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<b>Public support and revenue</b>				
Contributions	\$ 872,994	\$ 1,100	\$ 874,094	\$1,014,558
Gross revenue from special events	<u>2,852,275</u>	<u>-</u>	<u>2,852,275</u>	<u>2,220,606</u>
Total public support and revenue	3,725,269	1,100	3,726,369	3,235,164
Less: Expenses from special events	<u>966,727</u>	<u>-</u>	<u>966,727</u>	<u>924,419</u>
Net revenue from charitable activities	2,758,542	1,100	2,759,642	2,310,745
<b>Other revenue</b>				
Interest	3,080	391	3,471	3,199
Net assets released from restrictions	<u>28,761</u>	<u>(28,761)</u>	<u>-</u>	<u>-</u>
Net revenue available for Association's mission	<u>2,790,383</u>	<u>(27,270)</u>	<u>2,763,113</u>	<u>2,313,944</u>
<b>Expenses</b>				
Program services				
Research and grants	577,158	-	577,158	398,297
Patient services and support	1,239,108	-	1,239,108	1,225,542
Public awareness and education	190,775	-	190,775	188,901
Advocacy	<u>98,314</u>	<u>-</u>	<u>98,314</u>	<u>104,426</u>
Total program services	<u>2,105,355</u>	<u>-</u>	<u>2,105,355</u>	<u>1,917,166</u>
Support services				
Fundraising	289,196	-	289,196	294,108
General and administrative	<u>264,112</u>	<u>-</u>	<u>264,112</u>	<u>245,190</u>
Total support services	<u>553,308</u>	<u>-</u>	<u>553,308</u>	<u>539,298</u>
Total expenses	<u>2,658,663</u>	<u>-</u>	<u>2,658,663</u>	<u>2,456,464</u>
Increase (decrease) in net assets	131,720	(27,270)	104,450	(142,520)
Net assets, beginning of year	<u>1,816,865</u>	<u>187,678</u>	<u>2,004,543</u>	<u>2,147,063</u>
Net assets, end of year	<u>\$1,948,585</u>	<u>\$ 160,408</u>	<u>\$2,108,993</u>	<u>\$2,004,543</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Functional Expenses for the  
Year Ended January 31, 2011  
(with Summarized Comparative Financial Information for the Year Ended January 31, 2010)

	Program Services				Supporting Services			Total Expenses
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General Administrative	Total	
Expenses before depreciation								
Contributions	\$ 577,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,158
Program costs	-	517,319	100,262	39,598	-	-	-	657,179
Direct activity expenses	-	-	-	-	79,832	137,817	217,649	214,424
Salaries and related expenses	-	417,288	75,443	48,940	174,505	105,267	279,772	821,443
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	83,357	15,070	9,776	34,859	14,546	49,405	157,608
Total expenses before depreciation	577,158	1,017,964	190,775	98,314	289,196	257,630	546,826	2,431,037
Depreciation	-	221,144	-	-	-	6,482	6,482	227,626
Totals	\$ 577,158	\$ 1,239,108	\$ 190,775	\$ 98,314	\$ 289,196	\$ 264,112	\$ 553,308	\$ 2,458,663
Percentage of total expenses								
2011	21.7%	46.6%	7.2%	3.7%	10.9%	9.9%	20.8%	100.0%
2010	16.2%	49.9%	7.7%	4.2%	12.0%	10.0%	22.0%	100.0%

See notes to financial statements.

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Statement of Cash Flows**

	<b>Year Ended</b>	
	<b>January 31</b>	
	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 104,450	\$ (142,520)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	227,626	257,243
In-kind donations of equipment	(132,450)	(174,400)
Changes in assets and liabilities		
(Increase) decrease in grants receivable and other	103,093	(44,369)
Decrease in prepaid expenses	-	13,617
Increase (decrease) in accounts payable and accrued	28,972	(24,425)
Increase (decrease) in National ALS Association	<u>(378,719)</u>	<u>191,613</u>
<b>Net increase (decrease) in cash and     cash equivalents</b>	<b>(47,028)</b>	<b>76,759</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>1,900,074</b></u>	<u><b>1,823,315</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$1,853,046</b></u>	<u><b>\$1,900,074</b></u>

See notes to financial statements.

## THE ALS ASSOCIATION – GREATER NY CHAPTER

### Notes to Financial Statements January 31, 2011 and January 31, 2010

#### Note 1 – Nature of charitable organization

The mission of The ALS Association – Greater New York Chapter (the “Association”) is to lead the fight to cure and treat ALS through global, cutting edge research, and to empower people with Lou Gehrig’s disease and their families to live fuller lives by providing them with compassionate care and support.

#### Principal Activities and Mission

The Association provides a wide range of services, including sponsorship of three multidisciplinary ALS Centers in the greater New York area. The Association also makes loans of medical equipment and assistive communication devices from its loan closets, as well as holds patient educational symposia and monthly support groups, conducts home visits, provides transportation to clinic appointments, and offers social work and referral services.

The Association funds aggressive, cutting-edge research to find a cure or effective treatment that utilizes the newest techniques and fosters collaborative initiatives among government agencies, the private sector and scientists. Since 1995, the Association has expended more than \$6.4 million on ALS-specific basic science and translational research.

Through public outreach, media relations and the Internet, the Association continually raises awareness about ALS and the search for a cure. On average, each month, 2,000 viewers visit our website, a vital source of information for those battling ALS and for people looking for the latest news and information about the disease. We also have expanded ALS awareness by establishing support networks on popular social networking websites, such as Facebook and Twitter.

The Association plays a lead role in advocacy for increased public and private support of ALS research and public policy initiatives that respond to the needs of the people with ALS. The Association’s state and national advocacy efforts have raised the profile of ALS and helped enact new policies. The Association’s efforts have been instrumental in the passage of the National ALS Registry Act and the change in policy by the Veteran’s Administration to designate ALS as a military service-related disease, enabling veterans with ALS and/or their surviving spouses to receive disability benefits.

#### Note 2 – Summary of significant accounting policies

##### Net assets

##### Unrestricted

Unrestricted net assets are used to account for the general activity of the Association.

**THE ALS ASSOCIATION – GREATER NY CHAPTER****Notes to Financial Statements (continued)  
January 31, 2011 and January 31, 2010****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Temporarily restricted

Temporarily restricted revenue represents expendable gifts and grants, which are restricted by the donor or are to be made available in future periods. As the restrictions are satisfied, temporarily restricted net assets will be reclassified to unrestricted net assets and reported in the financial statement as net assets released from restrictions. The Association's policy is to record, as unrestricted revenue, contributions when donor-imposed restrictions are met in the same year that the contributions are received. At January 31, 2011, the balance in temporarily restricted net assets will be used to fund the programs described in note 1.

Cash equivalents

The Association considers all highly liquid investments purchased, including time deposits and savings accounts, with a maturity of three months or less to be cash equivalents.

Allowance for doubtful accounts

The Association has not provided for an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Leasehold improvements, office property and equipment

Expenditures for leasehold improvements, office property and equipment are capitalized at cost or, for donated assets, fair value at the time of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the related assets ranging from three to forty years.

Contributions, donations and bequests

Contributions are recognized as revenue in the period in which they are received or pledged. Bequests are recognized at the time the Association's right to them is established by the Court and the proceeds are subject to reasonable estimation. Donations of equipment or other long-lived assets are classified as unrestricted, and restrictions on the use of cash donations for the purchase thereof are considered met when the assets are purchased.

Allocation of functional expenses

The cost of providing the various programs has been summarized on a functional basis. Accordingly, certain costs have been allocated among programs and supporting services benefitted.

**THE ALS ASSOCIATION – GREATER NY CHAPTER****Notes to Financial Statements (continued)  
January 31, 2011 and January 31, 2010****Note 2 – Summary of significant accounting policies (continued)****Concentration of credit risk**

The Association's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents and receivables. The Association places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, cash balances may exceed the FDIC insurance limit; however, the Association has not experienced any losses on these accounts to date. The Association's management deems the receivables collectible. Accordingly, the Association believes no significant concentration of credit risk exists with respect to its cash, cash equivalents and receivables.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Comparative financial information**

The statement of activities and statement of functional expenses in the accompanying financial statements include certain prior-year summarized comparative financial information in total but not by net asset class or by functional classification respectively. Therefore, to compare 2011 and 2010 at the net asset class and functional classification level, the January 31, 2011 financial statements should be read in conjunction with the 2010 statements of activities and functional expenses.

**Reclassifications**

Certain items in the 2010 financial statements have been reclassified for comparative purposes.

**Subsequent events**

The Association has evaluated events and transactions for potential recognition or disclosure through June 8, 2011, which is the date the financial statements were available to be issued.

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Notes to Financial Statements (continued)  
January 31, 2011 and January 31, 2010**

**Note 3 – Leasehold improvements, office property and equipment**

A summary of leasehold improvements, office property, equipment and accumulated depreciation as of January 31, 2011 and January 31, 2010 is as follows:

	<u>2010</u>	<u>2009</u>
Medical equipment	\$ 959,304	\$ 826,854
Leasehold improvements	25,344	25,344
Office equipment	33,029	33,029
Furniture and fixtures	<u>22,552</u>	<u>22,552</u>
Sub-total	1,040,229	907,779
Less: Accumulated depreciation	<u>848,674</u>	<u>621,048</u>
Total	<u>\$ 191,555</u>	<u>\$ 286,731</u>

**Note 4 – Analysis of special events**

	<u>Sports Dinner</u>		<u>Chapter Sponsored Events</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Gross revenue	\$1,123,212	\$ 753,237	\$1,729,063	\$1,467,369	\$2,852,275	\$2,220,606
Less direct expenses	<u>458,900</u>	<u>399,833</u>	<u>507,827</u>	<u>524,586</u>	<u>966,727</u>	<u>924,419</u>
Net revenue from special events	<u>\$ 664,312</u>	<u>\$ 353,404</u>	<u>\$1,221,236</u>	<u>\$ 942,783</u>	<u>\$1,885,548</u>	<u>\$1,296,187</u>

**Note 5 – Revenue sharing**

Revenue sharing remitted to the National ALS Association of \$236,681 in 2011 and \$224,836 in 2010, respectively, was allocated to program and support services based on the National ALS Association's current revenue sharing plan agreement.

**THE ALS ASSOCIATION – GREATER NY CHAPTER**

**Notes to Financial Statements (continued)  
January 31, 2011 and January 31, 2010**

**Note 6 – Lease agreement**

In October 2008, the Association entered into an 11-year lease agreement for office space. Occupancy expense for the 2011 fiscal year totaled \$183,222.

At January 31, 2011 future minimum lease payments under the agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2012	171,121
2013	176,255
2014	181,542
2015	198,446
2016	204,400
2017 and thereafter	<u>880,786</u>
Total	<u>\$ 1,812,550</u>

**Note 7 – Temporarily restricted net assets**

Statutory law

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

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

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

**Note 8 – Retirement plan**

The Association has a SIMPLE IRA where employees can contribute a portion of their salary not to exceed limits established by the Internal Revenue Code. The Association matches employee contributions up to 3% of the employee's compensation. Expense associated with this plan for the 2011 and 2010 fiscal years totaled \$19,583 and \$21,924, respectively.

**THE ALS ASSOCIATION – GREATER NY CHAPTER****Notes to Financial Statements (continued)****January 31, 2011 and January 31, 2010****Note 9 – Tax-exempt status**

The Association has been classified by the Internal Revenue Service (“IRS”) as a publicly supported organization classified under Section 170 (b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code (the “Code”) and that it is exempt from Federal income taxes under Section 501(c)(3) of the Code. In addition, the Association has been determined by the IRS to be a publicly supported organization and not a private foundation under the meaning of Section 509(a) of the Code, therefore contributions qualify for the maximum charitable deduction by donors under IRC Section 170 (b)(1)(A)(vi). As of January 31, 2011, no amounts have been recognized for any uncertain income tax positions. The Association’s tax returns for fiscal year 2008 and forward are subject to the usual review by the appropriate taxing authorities.