

**THE ALS ASSOCIATION -
GREATER NY CHAPTER**

**Financial Statements
for the years ended
January 31, 2019
and
January 31, 2018**

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, 2019 and January 31, 2018 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 above present fairly, in all material respects, the financial position of The ALS Association – Greater NY Chapter as of January 31, 2019 and January 31, 2018 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Condon O'Meara McGinty & Donnelly LLP

July 11, 2019

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Financial Position

Assets

	January 31	
	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,899,553	\$ 2,050,539
Investments, at fair value – designated	4,333,440	5,055,165
Due from National ALS Association	53,171	82,500
Grants receivable	551,368	461,750
Prepaid expenses	125,913	93,537
Leasehold improvements, office property and equipment, net	134,020	151,700
Security deposit	<u>52,788</u>	<u>52,788</u>
Total assets	<u>\$ 7,150,253</u>	<u>\$ 7,947,979</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued	\$ 415,260	\$ 16,711
Deferred rent	<u>90,661</u>	<u>-</u>
Total liabilities	<u>505,921</u>	<u>16,711</u>

Net assets

Without donor restrictions		
Operating	2,094,881	2,740,818
Board-designated fund	<u>4,333,440</u>	<u>5,055,165</u>
Total unrestricted	6,428,321	7,795,983
With donor restrictions	<u>216,011</u>	<u>135,285</u>
Total net assets	<u>6,644,332</u>	<u>7,931,268</u>
Total liabilities and net assets	<u>\$ 7,150,253</u>	<u>\$ 7,947,979</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Activities

	2019				2018			
	Without Donor Restrictions		With Donor Restrictions		Without Donor Restrictions		With Donor Restrictions	
	Operating	Total	Operating	Total	Operating	Total	Operating	Total
Public support and revenue								
Contributions	\$1,480,858	\$1,480,858	\$ 533,118	\$2,013,976	\$1,719,029	\$ 65,000	\$1,719,029	\$1,784,029
Gross revenue from special events	3,296,058	3,296,058	-	3,296,058	3,783,455	-	3,783,455	3,783,455
Total public support and revenue	4,776,916	4,776,916	533,118	5,310,034	5,502,484	65,000	5,502,484	5,567,484
Less: Expenses from special events	1,377,593	1,377,593	-	1,377,593	1,374,036	-	1,374,036	1,374,036
Net revenue from charitable activities	3,399,323	3,399,323	533,118	3,932,441	4,128,448	65,000	4,128,448	4,193,448
Investment return and other								
Investment return	4,234	(1,725)	108	2,617	548	140	464,373	464,513
Net assets released from restrictions	452,500	452,500	(452,500)	-	273,729	(273,729)	273,729	-
Net revenue available for Association's mission	3,856,057	3,854,332	80,726	3,935,058	4,402,725	(208,589)	4,866,550	4,657,961
Expenses								
Program services								
Research and grants	616,274	400,000	-	1,016,274	632,826	350,000	982,826	982,826
Patient services and support	2,560,282	320,000	-	2,880,282	2,449,220	250,000	2,699,220	2,699,220
Public awareness and education	356,408	-	-	356,408	381,994	-	381,994	381,994
Advocacy	215,525	-	-	215,525	206,319	-	206,319	206,319
Total program services	3,748,489	720,000	-	4,468,489	3,670,359	600,000	4,270,359	4,270,359
Supporting activities								
Fundraising	354,604	-	-	354,604	426,553	-	426,553	426,553
General and administrative	398,901	-	-	398,901	486,084	-	486,084	486,084
Total supporting activities	753,505	-	-	753,505	912,637	-	912,637	912,637
Total expenses	4,501,994	720,000	-	5,221,994	4,582,996	600,000	5,182,996	5,182,996
Increase (decrease) in net assets	(645,937)	(721,725)	80,726	(1,286,936)	(180,271)	(208,589)	(316,446)	(525,035)
Net assets, beginning of year	2,740,818	5,055,165	135,285	7,931,268	2,921,089	5,191,340	8,112,429	8,456,303
Net assets, end of year	\$2,094,881	\$4,333,440	\$ 216,011	\$6,644,332	\$2,740,818	\$ 135,285	\$7,795,983	\$7,931,268

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Functional Expenses

	Year Ended January 31, 2019					
	Program Services			Supporting Activities		
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative
Expenses						
Contributions	\$ 1,016,274	-	\$ -	-	\$ -	\$ -
Program costs	-	1,107,552	135,250	69,924	-	-
Direct activity costs	-	-	-	-	81,894	185,660
Salaries and related costs	-	1,427,344	189,207	124,566	233,311	180,324
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	241,032	31,951	21,035	39,399	30,451
Total expenses before depreciation and amortization	1,016,274	2,775,928	356,408	215,525	354,604	396,435
Depreciation and amortization	-	104,354	-	-	-	2,466
Totals	\$ 1,016,274	\$ 2,880,282	\$ 356,408	\$ 215,525	\$ 354,604	\$ 398,901
Percentage of total expenses 2019	19.5%	55.2%	6.8%	4.1%	6.8%	7.6%
						14.4%
						100.0%

	Year Ended January 31, 2018					
	Program Services			Supporting Activities		
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative
Expenses						
Contributions	\$ 982,826	-	\$ -	-	\$ -	\$ -
Program costs	-	1,102,292	115,615	69,494	-	-
Direct activity costs	-	-	-	-	96,126	297,499
Salaries and related costs	-	1,291,834	234,018	120,203	290,285	164,969
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	178,640	32,361	16,622	40,142	22,813
Total expenses before depreciation and amortization	982,826	2,572,766	381,994	206,319	426,553	485,281
Depreciation and amortization	-	126,454	-	-	-	803
Totals	\$ 982,826	\$ 2,699,220	\$ 381,994	\$ 206,319	\$ 426,553	\$ 486,084
Percentage of total expenses 2018	19.0%	52.1%	7.4%	3.9%	8.2%	9.4%
						17.6%
						100.0%

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Cash Flows

	Years Ended	
	January 31	
	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
(Decrease) in net assets	\$(1,286,936)	\$ (525,035)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	106,820	127,257
In-kind donations of medical equipment	(77,500)	(104,600)
Unrealized (gain) loss on investments	182,266	(296,998)
Realized (gain) on sale of investments	(6,107)	(33,736)
Donated stocks	(15,818)	(21,635)
Proceeds from donated stocks	13,039	21,339
Realized loss on sale of donated stocks	2,779	296
Changes in assets and liabilities		
Decrease in due from National ALS Association	29,329	149,291
(Increase) decrease in grants receivable	(89,618)	54,042
(Increase) decrease in prepaid expenses	(32,376)	51,050
(Increase) in security deposit	-	(12,463)
Increase (decrease) in accounts payable and accrued	398,549	(80,133)
Increase in deferred rent	90,661	-
Net cash (used in) operating activities	<u>(684,912)</u>	<u>(671,325)</u>
Cash flows from investing activities		
Purchase of expenditures for leasehold improvements, office property and equipment	(11,640)	(30,620)
Purchase of investments	(292,720)	(406,370)
Proceeds from sale of investments	720,000	600,000
Net change in money market funds	<u>118,286</u>	<u>273,279</u>
Net cash provided by investing activities	<u>533,926</u>	<u>436,289</u>
Net (decrease) in cash and cash equivalents	(150,986)	(235,036)
Cash and cash equivalents, beginning of year	<u>2,050,539</u>	<u>2,285,575</u>
Cash and cash equivalents, end of year	<u>\$ 1,899,553</u>	<u>\$ 2,050,539</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Notes to Financial Statements January 31, 2019 and January 31, 2018

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 eight 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 \$13 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, 15,000 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 10,000 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, 2019 and January 31, 2018****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)Board-designatedThe Challenge Fund:

During the summer of 2014, the Association generated significant revenue from the ALS Ice Bucket Challenge, a highly successful fund raising 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, 2019 and January 31, 2018****Note 2 – Summary of significant accounting policies (continued)**Net assets (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, 2019 and January 31, 2018****Note 2 – Summary of significant accounting policies (continued)**Net assets (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 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.

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.

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, 2019, 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, 2019 and January 31, 2018****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, 2019 and January 31, 2018, 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, 2019 and January 31, 2018, 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, 2019 and January 31, 2018**

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, 2019. The Association routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. The Association's management deems the receivables collectible and monitors them on an ongoing basis. Accordingly, the Association believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, 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.

Subsequent events

The Association has evaluated events and transactions for potential recognition or disclosure through July 11, 2019, 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, 2019:

Cash and cash equivalents	\$ 1,899,553
Due from National ALS Association	53,171
Grants receivables, net	<u>551,368</u>
Total financial assets as of year end	2,504,092
Appropriation of grants funded from Board Designated net assets *	<u>720,000</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>3,224,092</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2019 and January 31, 2018**

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

* - Annually, the Association designates an amount to be appropriated for grants, which is approved the by Board of Directors

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 \$4,333,440 at January 31, 2019. 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, 2019 and January 31, 2018, investments consist of the following:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 36,657	\$ 36,657	\$ 154,943	\$ 154,943
Mutual funds				
Vanguard Life Strategy Conservative Growth Investor Fund	2,135,293	2,223,757	2,337,695	2,548,534
Vanguard Life Strategy Income Fund	<u>2,047,669</u>	<u>2,073,026</u>	<u>2,266,440</u>	<u>2,351,688</u>
Total mutual funds	<u>4,182,962</u>	<u>4,296,783</u>	<u>4,604,135</u>	<u>4,900,222</u>
Total investments	<u>\$4,219,619</u>	<u>\$4,333,440</u>	<u>\$4,759,078</u>	<u>\$ 5,055,165</u>

The investment return for the years ended January 31, 2019 and January 31, 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 181,555	\$ 134,075
Unrealized gain (loss)	(182,266)	296,998
Realized gain on sale of investments	6,107	33,736
Realized (loss) on sale of donated stocks	<u>(2,779)</u>	<u>(296)</u>
Investment return	<u>\$ 2,617</u>	<u>\$ 464,513</u>

Note 5 – Grants receivable

Grants receivable at January 31, 2019 are expected to be collected during the 2020 fiscal year.

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2019 and January 31, 2018**

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, 2019 and January 31, 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Medical equipment	\$1,172,096	\$1,094,595
Leasehold improvements	25,344	25,344
Office equipment	20,481	20,481
Furniture and fixtures	<u>25,084</u>	<u>13,445</u>
Sub-total	1,243,005	1,153,865
Less: Accumulated depreciation and amortization	<u>1,108,985</u>	<u>1,002,165</u>
Total	<u>\$ 134,020</u>	<u>\$ 151,700</u>

Note 7 – Analysis of special events

	<u>Sports Dinner</u>		<u>Association Sponsored Events</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Gross revenue	\$ 723,026	\$1,039,972	\$2,573,032	\$2,743,483	\$3,296,058	\$3,783,455
Less expenses	<u>413,087</u>	<u>451,387</u>	<u>964,506</u>	<u>922,649</u>	<u>1,377,593</u>	<u>1,374,036</u>
Net revenue from special events	<u>\$ 309,939</u>	<u>\$ 588,585</u>	<u>\$1,608,526</u>	<u>\$1,820,834</u>	<u>\$1,918,465</u>	<u>\$2,409,419</u>

Note 8 – Revenue sharing

Revenue sharing to the National ALS Association for the 2019 and 2018 fiscal years totaled \$228,885 and \$272,578, respectively, which was allocated to program services and support activity based on the National ALS Association's current revenue sharing plan agreement.

Note 9 – 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 2019 and 2018 fiscal years totaled \$317,736 and \$257,178, 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.

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**Notes to Financial Statements (continued)
January 31, 2019 and January 31, 2018**

Note 9 – Lease agreement (continued)

At January 31, 2019 future minimum lease payments under the modified agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 283,107
2021	290,190
2022	297,444
2023	304,875
2024	312,495
2025 and thereafter	<u>1,476,143</u>
Total	<u>\$ 2,964,254</u>

Note 10 – 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.

Net assets with temporary donor restrictions are available for the following purposes as of January 31, 2019 and January 31, 2018:

<u>Purpose</u>	<u>2019</u>			
	<u>Balance at January 31, 2018</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2019</u>
Research	\$ 12,146	\$ -	\$ -	\$ 12,146
Patient services	58,139	108	(9,608)	48,639
Time restricted	<u>65,000</u>	<u>533,118</u>	<u>(442,892)</u>	<u>155,226</u>
Total	<u>\$ 135,285</u>	<u>\$ 533,226</u>	<u>\$(452,500)</u>	<u>\$ 216,011</u>

<u>Purpose</u>	<u>2018</u>			
	<u>Balance at January 31, 2017</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at January 31, 2018</u>
Research	\$ 12,146	\$ -	\$ -	\$ 12,146
Patient services	65,999	140	(8,000)	58,139
Time restricted	<u>265,729</u>	<u>65,000</u>	<u>(265,729)</u>	<u>65,000</u>
Total	<u>\$ 343,874</u>	<u>\$ 65,140</u>	<u>\$(273,729)</u>	<u>\$ 135,285</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2019 and January 31, 2018****Note 11 – 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 2019 and 2018 fiscal years totaled \$47,511 and \$44,629, respectively.

Note 12 – Commitments and related party transaction

In May of 2017, the former President and CEO resumed her previous role, became a full time employee. This arrangement was in effect until December of 2017, when a replacement assumed the role of President & CEO. In January of 2018, the consulting agreement resumed with the final payment being made in May of 2018.

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).