

**THE ALS ASSOCIATION -
GREATER NY CHAPTER**

**Financial Statements
for the years ended
January 31, 2017
and
January 31, 2016**

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 which comprise the statement of financial position as of January 31, 2017 and January 31, 2016 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

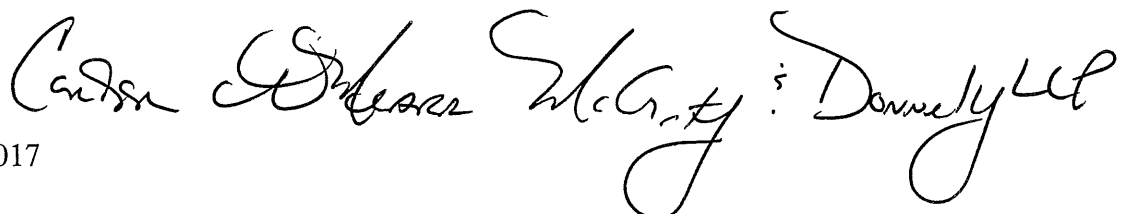
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and 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. 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, 2017 and January 31, 2016 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.



August 9, 2017

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Financial Position

Assets

	January 31	
	2017	2016
Cash and cash equivalents	\$ 2,285,575	\$ 2,977,849
Investments, at fair value – designated	5,191,340	4,350,079
Due from National ALS Association	231,791	144,210
Grants receivable	515,792	500,023
Prepaid expenses	144,587	111,712
Leasehold improvements, office property and equipment, net	143,737	174,773
Security deposit	40,325	40,325
Total assets	\$ 8,553,147	\$ 8,298,971

Liabilities and Net Assets

Liabilities

Accounts payable and accrued	\$ 96,844	\$ 22,439
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Net assets

Unrestricted		
Operating	2,921,089	3,779,701
Board-designated fund	5,191,340	4,350,079
Total unrestricted	8,112,429	8,129,780
Temporarily restricted	343,874	146,752
Total net assets	8,456,303	8,276,532

Total liabilities and net assets	\$ 8,553,147	\$ 8,298,971
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THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Activities

	Years Ended January 31		
	2017		2016
	Unrestricted	Temporarily Restricted	Total
Public support and revenue			
Contributions	\$2,432,459	\$ 265,729	\$2,698,188
Gross revenue from special events	3,601,204	-	3,601,204
Total public support and revenue	6,033,663	265,729	6,299,392
Less: Expenses from special events	1,360,147	-	1,360,147
Net revenue from charitable activities	4,673,516	265,729	4,939,245
Investment return and other			
Investment return	275,792	154	275,946
Other	26,698	-	26,698
Net assets released from restrictions	68,761	(68,761)	-
Net revenue available for Association's mission	5,044,767	197,122	5,241,889
Expenses			
Program services			
Research and grants	1,042,868	-	1,042,868
Patient services and support	2,535,154	-	2,535,154
Public awareness and education	400,068	-	400,068
Advocacy	194,051	-	194,051
Total program services	4,172,141	-	4,172,141
Support services			
Fundraising	468,943	-	468,943
General and administrative	421,034	-	421,034
Total support services	889,977	-	889,977
Total expenses	5,062,118	-	5,062,118
Increase (decrease) in net assets	(17,351)	197,122	179,771
Net assets, beginning of year	8,129,780	146,752	8,276,532
Net assets, end of year	\$8,112,429	\$ 343,874	\$8,456,303

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Statement of Functional Expenses

Year Ended January 31, 2017

	Program Services			Supporting Services			Total
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative	
Expenses before depreciation and amortization							
Contributions	\$1,042,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,042,868
Program costs	-	978,478	139,337	67,713	-	-	1,185,528
Direct activity expenses	-	-	-	-	113,829	237,706	351,535
Salaries and related expenses	-	1,248,642	230,407	111,644	313,813	161,445	2,065,951
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	164,335	30,324	14,694	41,301	21,249	271,903
Total expenses before depreciation and amortization	1,042,868	2,391,455	400,068	194,051	468,943	420,400	4,917,785
Depreciation and amortization	-	143,699	-	-	-	634	144,333
Totals	\$1,042,868	\$2,535,154	\$ 400,068	\$ 194,051	\$ 468,943	\$ 421,034	\$5,062,118

Percentage of total expenses

2017

20.6%	50.1%	7.9%	3.8%	9.3%	8.3%	17.6%	100.0%
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Year Ended January 31, 2016

	Program Services			Supporting Services			Total
	Research and Grants	Patient Services and Support	Public Awareness and Education	Advocacy	Fundraising	General and Administrative	
Expenses before depreciation and amortization							
Contributions	\$1,044,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,044,729
Program costs	-	897,853	132,699	62,933	-	-	1,093,485
Direct activity expenses	-	-	-	-	93,210	128,292	221,502
Salaries and related expenses	-	1,078,648	188,557	89,737	321,185	162,495	1,840,622
Allocated costs of rent, telephone, computers, supplies, equipment rentals, and maintenance	-	155,845	27,243	12,965	46,405	23,478	265,936
Total expenses before depreciation and amortization	1,044,729	2,132,346	348,499	165,635	460,800	314,265	4,466,274
Depreciation and amortization	-	156,466	-	-	-	2,384	158,850
Totals	\$1,044,729	\$2,288,812	\$ 348,499	\$ 165,635	\$ 460,800	\$ 316,649	\$4,625,124

Percentage of total expenses

2016

22.6%	49.5%	7.5%	3.6%	10.0%	6.8%	16.8%	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>2017</u>	<u>2016</u>
Cash flows from operating activities		
Increase in net assets	\$ 179,771	\$ 827,323
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	144,333	158,850
In-kind donations of medical equipment	(106,500)	(143,800)
Unrealized (gain) loss on investments	(166,309)	167,220
Realized loss on sale of investments	5,369	26,100
Donated stocks	(14,494)	(61,275)
Proceeds from donated stocks	14,085	58,429
Realized loss on donated stocks	409	2,846
Changes in assets and liabilities		
(Increase) in due from National ALS Association	(87,581)	(144,210)
(Increase) in grants receivable	(15,769)	(60,774)
(Increase) in prepaid expenses	(32,875)	(52,683)
Increase in accounts payable and accrued	<u>74,405</u>	<u>14,342</u>
Net cash provided by (used in) operating activities	<u>(5,156)</u>	<u>792,368</u>
Cash flows from investing activities		
Purchase of expenditures for leasehold improvements, office property and equipment	(6,797)	-
Purchase of investments	(1,435,540)	(4,343,158)
Proceeds from sale of investments	583,200	400,000
Net change in money market funds	<u>172,019</u>	<u>(600,241)</u>
Net cash (used in) investing activities	<u>(687,118)</u>	<u>(4,543,399)</u>
Net (decrease) in cash and cash equivalents	(692,274)	(3,751,031)
Cash and cash equivalents, beginning of year	<u>2,977,849</u>	<u>6,728,880</u>
Cash and cash equivalents, end of year	<u>\$ 2,285,575</u>	<u>\$ 2,977,849</u>

See notes to financial statements.

THE ALS ASSOCIATION – GREATER NY CHAPTER

Notes to Financial Statements January 31, 2017 and January 31, 2016

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 four 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 \$11 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, 15,000 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 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, 2017 and January 31, 2016****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 will enable 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, 2017 and January 31, 2016****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 expand services at ALS treatment clinics.

Research:

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

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.

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.

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, 2017, the balance in temporarily restricted net assets will be used to fund the programs described in note 1.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2017 and January 31, 2016****Note 2 – Summary of significant accounting policies (continued)****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.

Fair value measurements

For assets measured at fair value on a recurring basis as of January 31, 2017 and January 31, 2016, 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, 2017 and January 31, 2016, 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 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 medical 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.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2017 and January 31, 2016****Note 2 – Summary of significant accounting policies (continued)**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.

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, 2017. 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 August 9, 2017, 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, 2017 and January 31, 2016**

Note 3 – Investments

At January 31, 2017 and January 31, 2016, investments consist of the following:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Money market funds	<u>\$ 428,222</u>	<u>\$ 428,222</u>	<u>\$ 600,241</u>	<u>\$ 600,241</u>
Mutual funds				
Vanguard Life Strategy Conservation Group Investor Fund	2,408,708	2,417,654	1,986,852	1,877,728
Vanguard Life Strategy Income Fund	<u>2,355,321</u>	<u>2,345,464</u>	<u>1,930,206</u>	<u>1,872,110</u>
Total mutual funds	<u>4,764,029</u>	<u>4,763,118</u>	<u>3,917,058</u>	<u>3,749,838</u>
Total investments	<u>\$5,192,251</u>	<u>\$5,191,340</u>	<u>\$4,517,299</u>	<u>\$4,350,079</u>

The investment return for the years ended January 31, 2017 and January 31, 2016 are as follows:

	2017	2016
Interest and dividends	\$ 115,415	\$ 99,180
Unrealized gain (loss)	166,309	(167,220)
Realized (loss) on sale of investments	(5,369)	(26,100)
Realized (loss) on donated stocks	<u>(409)</u>	<u>(2,846)</u>
Total	<u>\$ 275,946</u>	<u>\$ (96,986)</u>

Note 4 – Leasehold improvements, office property and equipment

A summary of leasehold improvements, office property, equipment and accumulated depreciation and amortization as of January 31, 2017 and January 31, 2016 is as follows:

	2017	2016
Medical equipment	\$ 960,558	\$ 847,261
Leasehold improvements	25,344	25,344
Office equipment	20,481	20,481
Furniture and fixtures	<u>12,262</u>	<u>12,262</u>
Sub-total	1,018,645	905,348
Less: Accumulated depreciation and amortization	<u>874,908</u>	<u>730,575</u>
Total	<u>\$ 143,737</u>	<u>\$ 174,773</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2017 and January 31, 2016**

Note 5 – Analysis of special events

	<u>Sports Dinner</u>		<u>Association Sponsored Events</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Gross revenue	\$1,011,665	\$1,305,988	\$2,589,539	\$2,710,369	\$3,601,204	\$4,016,357
Less expenses	<u>434,263</u>	<u>499,652</u>	<u>925,884</u>	<u>881,345</u>	<u>1,360,147</u>	<u>1,380,997</u>
Net revenue from special events	<u>\$ 577,402</u>	<u>\$ 806,336</u>	<u>\$1,663,655</u>	<u>\$1,829,024</u>	<u>\$2,241,057</u>	<u>\$2,635,360</u>

Note 6 – Revenue sharing

Revenue sharing to the National ALS Association for the 2017 and 2016 fiscal years totaled \$350,242 and \$399,384, respectively, which was allocated to program and support services based on the National ALS Association's current revenue sharing plan agreement. In addition, during the 2017 fiscal year, the National ALS Association refunded the Association \$21,846 in connection with an over reporting of revenue in connection with 2016's revenue sharing.

Note 7 – Lease agreement

In October 2008, the Association entered into an 11-year lease agreement for office space. Occupancy expense for the 2017 and 2016 fiscal years totaled \$248,666 and \$242,184, respectively.

At January 31, 2017 future minimum lease payments under the agreement are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 216,848
2019	223,353
2020	<u>230,054</u>
Total	<u>\$ 670,255</u>

THE ALS ASSOCIATION – GREATER NY CHAPTER

**Notes to Financial Statements (continued)
January 31, 2017 and January 31, 2016**

Note 8 – 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, 2017 and January 31, 2016:

<u>Purpose</u>	<u>2017</u>			<u>Balance at January 31, 2017</u>
	<u>Balance at January 31, 2016</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	
Research	\$ 12,146	\$ -	\$ -	\$ 12,146
Patient services	74,606	154	(8,761)	65,999
Time restricted	<u>60,000</u>	<u>265,729</u>	<u>(60,000)</u>	<u>265,729</u>
Total	<u>\$ 146,752</u>	<u>\$ 265,883</u>	<u>\$ (68,761)</u>	<u>\$ 343,874</u>

<u>Purpose</u>	<u>2016</u>			<u>Balance at January 31, 2016</u>
	<u>Balance at January 31, 2015</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	
Research	\$ 12,571	\$ -	\$ (425)	\$ 12,146
Patient services	77,289	140	(2,823)	74,606
Time restricted	<u>885,630</u>	<u>60,000</u>	<u>(885,630)</u>	<u>60,000</u>
Total	<u>\$ 975,490</u>	<u>\$ 60,140</u>	<u>\$(888,878)</u>	<u>\$ 146,752</u>

Note 9 – 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 2017 and 2016 fiscal years totaled \$40,049 and \$30,632, respectively.

THE ALS ASSOCIATION – GREATER NY CHAPTER**Notes to Financial Statements (continued)
January 31, 2017 and January 31, 2016****Note 10 – Commitments and related party transaction**

During June 2016, the Association entered into a retirement agreement with the Association's President and CEO, who is also the Association's founder, effective September 30, 2016 (the "retirement date"), at which time all payments were made in accordance to the retirement agreement. Following the retirement date, the former President and CEO became the Association's President Emeritus and was added to the Association's Honorary Board of Directors. In addition, during June 2016, the Association entered into a consulting agreement with the Association's President and CEO for a period of one year, which was effective October 1, 2016.

In May of 2017, the former President and CEO resumed her previous role, became a full time employee and the consulting agreement was suspended. This arrangement will be in effect until such time as a suitable replacement is found.

Note 11 – 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).