

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION

CENTRAL TENNESSEE CHAPTER

FINANCIAL STATEMENTS

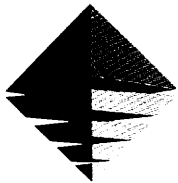
JANUARY 31, 2005

(With Independent Auditors' Report Thereon)

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
CENTRAL TENNESSEE CHAPTER
FINANCIAL STATEMENTS
JANUARY 31, 2005

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Amyotrophic Lateral Sclerosis Association
Central Tennessee Chapter

We have audited the accompanying statements of financial position of the Amyotrophic Lateral Sclerosis Association, Central Tennessee Chapter, (a nonprofit organization) as of January 31, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Amyotrophic Lateral Sclerosis Association, Central Tennessee Chapter, as of January 31, 2005, the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Akersloot, Patterson & Associates, P.L.L.C.

April 5, 2005

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
CENTRAL TENNESSEE CHAPTER
STATEMENT OF FINANCIAL POSITION
JANUARY 31, 2005

ASSETS

Current Assets:

Cash	\$ 380,232	
Prepaid insurance	<u>3,435</u>	
Total current assets		\$ 383,667

Equipment	2,329	
Less: accumulated depreciation	<u>(287)</u>	
		<u>2,042</u>

\$ 385,709 ✓

LIABILITY AND NET ASSETS

Current Liability:

Accounts payable	\$ <u>4,750</u>	
Total current liability		4,750

Net Assets:

Unrestricted	<u>380,959</u>	
		<u>380,959</u> ✓
		<u>\$ 385,709</u> ✓

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See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
CENTRAL TENNESSEE CHAPTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JANUARY 31, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenues:				
Contributions	\$ 244,184	\$ -	\$ -	\$ 244,184
Revenues:				
Grants	2,550	-	-	2,550
Special events income	210,966	-	-	210,966
In kind donations	1,325	-	-	1,325
Interest income	<u>3,733</u>	<u>-</u>	<u>-</u>	<u>3,733</u>
Total revenues	<u>218,574</u>	<u>-</u>	<u>-</u>	<u>218,574</u>
Total public support and revenues	<u>462,758</u>	<u>-</u>	<u>-</u>	<u>462,758</u> ✓
Expenses and Losses:				
Program Services:				
Newsletter	4,691	-	-	4,691
Grants to patients	35,288	-	-	35,288
Other program expenses	<u>162,931</u>	<u>-</u>	<u>-</u>	<u>162,931</u>
Total program services	<u>202,910</u>	<u>-</u>	<u>-</u>	<u>202,910</u>
Supporting Services:				
Management and general	38,952	-	-	38,952
Fundraising	<u>70,671</u>	<u>-</u>	<u>-</u>	<u>70,671</u>
Total supporting services	<u>109,623</u>	<u>-</u>	<u>-</u>	<u>109,623</u>
Total program and supporting expenses	<u>312,533</u>	<u>-</u>	<u>-</u>	<u>312,533</u> ✓
Increase in net assets	150,225	-	-	150,225
Net assets - beginning of year	<u>230,734</u>	<u>-</u>	<u>-</u>	<u>230,734</u>
Net assets - end of year	<u>\$ 380,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,959</u>

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
CENTRAL TENNESSEE CHAPTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2005

	<u>Program Services</u>				<u>Supporting Services</u>		
	<u>Newsletter</u>	<u>Grants to Patients</u>	<u>Respite Care, Education, and Other Expenses</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 54	\$ 55	\$ 109
Bank service charges	-	-	-	-	235	-	235
Board appreciation	-	-	72	72	440	-	512
Database	-	-	1,560	1,560	-	1,055	2,615
Depreciation	-	-	-	-	267	-	267
Education and training	-	-	425	425	354	563	1,342
Grants to patients	-	35,288	-	35,288	-	-	35,288
In kind	-	-	1,325	1,325	-	-	1,325
Insurance	-	-	1,463	1,463	600	568	2,631
Internet	-	-	591	591	217	256	1,064
Lou Gehrig Birthday Party	-	-	879	879	-	7,134	8,013
Meals	-	-	9	9	-	59	68
Miscellaneous	-	-	320	320	20	297	637
Newsletter	3,837	-	-	3,837	451	799	5,087
Office supplies	-	-	2,153	2,153	1,311	812	4,276
Other program expenses	-	-	1,090	1,090	-	350	1,440
Payroll and payroll taxes	-	-	42,018	42,018	18,633	18,640	79,291
Payroll service	-	-	463	463	301	230	994
Permits and licenses	-	-	-	-	290	-	290
Postage and delivery	-	-	1,396	1,396	308	195	1,899
Printing and reproduction	854	-	-	854	131	163	1,148
Professional fees	-	-	2,750	2,750	3,742	3,250	9,742
Rent	-	-	2,656	2,656	1,310	1,275	5,241
Respite care	-	-	12,068	12,068	-	-	12,068
Revenue sharing	-	-	85,539	85,539	6,414	20,938	112,891
Symposium	-	-	578	578	-	-	578
Telephone	-	-	2,512	2,512	2,239	131	4,882
Travel	-	-	2,750	2,750	1,404	1,231	5,385
Utilities	-	-	314	314	231	155	700
Walk	-	-	-	-	-	12,515	12,515
Total program and supporting services	\$ <u>4,691</u>	\$ <u>35,288</u>	\$ <u>162,931</u>	\$ <u>202,910</u>	\$ <u>38,952</u>	\$ <u>70,671</u>	\$ <u>312,533</u>

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
CENTRAL TENNESSEE CHAPTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JANUARY 31, 2005

Cash Flows From Operating Activities:

Increase in net assets		\$ 150,225
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Adjustments to reconcile increase in net assets
to net cash provided by operating activities:

Depreciation	\$ 267	
Changes in:		
Accounts receivable	20,316	
Prepaid assets	(3,435)	
Accounts payable	<u>1,531</u>	
Total adjustments		<u>18,679</u>
Net cash provided by operating activities		168,904

Cash Flows From Investing Activities:

Purchase of property and equipment	<u>(2,149)</u>	
Net cash used in investing activities		<u>(2,149)</u>

Net increase in cash		166,755
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Cash - beginning of year		<u>213,477</u>
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Cash - end of year		<u><u>\$ 380,232</u></u>
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AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
CENTRAL TENNESSEE CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2005

NOTE 1 - Summary of Significant Accounting Policies

a. Nature of Activities

The Amyotrophic Lateral Sclerosis Association, Central Tennessee Chapter, a nonprofit organization, is a locally governed affiliate of the national organization, Amyotrophic Lateral Sclerosis Association. The Organization's mission is to find a cure for and improve living with Amyotrophic Lateral Sclerosis (ALS). Virtually all of the Organization's revenues and support for the year ended January 31, 2005, were from the general public.

b. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the Statement of Activities as unrestricted.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned and any related investments for general or specific purposes.

c. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted cash, certificates of deposit and investment instruments purchased with original maturities of three months or less to be cash equivalents. At January 31, 2005, the Organization had no cash equivalents.

d. Equipment

Equipment is recorded at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation is provided utilizing the straight-line method over the estimated useful lives of the respective assets. Expenditures for repairs and maintenance are charged to expense as incurred. It is the Organization's policy to capitalize purchases of fixed assets with a value of \$500 or more or with a useful life of over one year.

e. Income Tax Status

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Organization is classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

f. Advertising

Advertising is expensed as incurred.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
CENTRAL TENNESSEE CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2005

NOTE 1 - Summary of Significant Accounting Policies (continued)

g. Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

i. Fair Values of Financial Instruments

The carrying values of current assets and the current liability approximate fair values due to the short maturities of these instruments.

j. Concentration of Credit Risk

At January 31, 2005, and at various times through the year, the Organization had cash balances with banks exceeding \$100,000, which is the maximum insured by the Federal Deposit Insurance Corporation.

During the year ended January 31, 2005, the Organization received 94% of total contributions from one contributor and 92% of total revenue from one event.

NOTE 2 - Donated Items

The Organization typically receives donated items each year for various reasons. The amount recognized for the year ended January 31, 2005, was \$1,325.

NOTE 3 - Revenue Sharing

The Organization is a member of a national affiliate and is required to pass through a percentage of all revenues to the national office. In exchange for this percentage, the Tennessee Chapter receives updated education materials and information to assist in its mission. During the year ended January 31, 2005, the Organization had remitted \$112,891 to the national affiliate.

NOTE 4 - Geographic Expansion

During the year ended January 31, 2005, the Organization filed merger papers with the Attorney General's office in order to merge with the Memphis chapter and create a state-wide chapter. The merger was effective February 1, 2005.

NOTE 5 - Operating Lease

The Organization leases office space under a lease classified as an operating lease. Total rental expense for the year ended January 31, 2005, was \$5,241. The lease expires in November 2005. Future minimum lease payments for the year ended January 31, 2006, are \$7,650.