

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION

TENNESSEE CHAPTER

FINANCIAL STATEMENTS

JANUARY 31, 2008

(With Independent Auditor's Report Thereon)

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
TENNESSEE CHAPTER
FINANCIAL STATEMENTS
JANUARY 31, 2008

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amyotrophic Lateral Sclerosis Association
Tennessee Chapter

We have audited the accompanying statements of financial position of the Amyotrophic Lateral Sclerosis Association, Tennessee Chapter, (a nonprofit organization) as of January 31, 2008, 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, Tennessee Chapter, as of January 31, 2008, 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.

APh CPAs

July 1, 2008

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
TENNESSEE CHAPTER
STATEMENT OF FINANCIAL POSITION
JANUARY 31, 2008

ASSETS

Current Assets:			
Cash	\$	457,389	
Certificates of deposit		111,275	
Inventory		69,485	
Prepaid expenses		<u>6,341</u>	
Total current assets			\$ 644,490
Equipment		17,943	
Less: accumulated depreciation		<u>(15,534)</u>	
			<u>2,409</u>
			\$ <u><u>646,899</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accounts payable	\$	67,960	
Accrued expenses		<u>942</u>	
Total current liabilities			68,902
Net Assets:			
Unrestricted		<u>577,997</u>	
			<u>577,997</u>
			\$ <u><u>646,899</u></u>

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
TENNESSEE CHAPTER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JANUARY 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public Support and Revenues:				
Contributions	<u>\$ 150,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,625</u>
Revenues:				
Grants	11,700	-	-	11,700
Special events income	371,492	-	-	371,492
In-kind donations	61,525	-	-	61,525
Interest income	23,342	-	-	23,342
Miscellaneous income	1,804	-	-	1,804
Net assets released from restrictions	<u>1,800</u>	<u>(1,800)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>471,663</u>	<u>(1,800)</u>	<u>-</u>	<u>469,863</u>
Total public support and revenues	<u>622,288</u>	<u>(1,800)</u>	<u>-</u>	<u>620,488</u>
Expenses:				
Program Services:				
Respite Care, Education				
and other program expenses	<u>457,946</u>	<u>-</u>	<u>-</u>	<u>457,946</u>
Total program services	<u>457,946</u>	<u>-</u>	<u>-</u>	<u>457,946</u>
Supporting Services:				
Management and general	59,064	-	-	59,064
Fundraising	<u>143,029</u>	<u>-</u>	<u>-</u>	<u>143,029</u>
Total supporting services	<u>202,093</u>	<u>-</u>	<u>-</u>	<u>202,093</u>
Total program				
and supporting expenses	<u>660,039</u>	<u>-</u>	<u>-</u>	<u>660,039</u>
Decrease in net assets	(37,751)	(1,800)	-	(39,551)
Net assets - beginning of year	<u>615,748</u>	<u>1,800</u>	<u>-</u>	<u>617,548</u>
Net assets - end of year	<u>\$ 577,997</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 577,997</u>

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION

TENNESSEE CHAPTER

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2008

	<u>Program Services</u>		<u>Supporting Services</u>		
	Respite Care, Education, and <u>Other Expenses</u>	Total Program <u>Services</u>	Management and General	Fundraising	Total <u>Expenses</u>
Advertising	\$ 49	\$ 49	\$ -	\$ -	\$ 49
Advocacy day	3,178	3,178	-	-	3,178
Bank and credit card service charges	67	67	731	2,670	3,468
Communications program	11,733	11,733	-	-	11,733
Depreciation	-	-	3,684	-	3,684
Direct mailings	-	-	-	5,390	5,390
Dues and subscriptions	920	920	70	620	1,610
Education and training	1,120	1,120	-	397	1,517
Equipment loan program	26,880	26,880	-	-	26,880
Equipment rental	1,387	1,387	714	714	2,815
Holiday support program	1,522	1,522	-	-	1,522
In-kind	38,660	38,660	-	-	38,660
Insurance	6,359	6,359	2,265	2,530	11,154
Miscellaneous	3	3	250	-	253
Newsletter	8,315	8,315	923	3,646	12,884
Office supplies	2,457	2,457	1,174	1,725	5,356
Other special events	211	211	-	15,915	16,126
Other program expenses	479	479	-	-	479
Patient assistance	1,043	1,043	-	-	1,043
Payroll and payroll taxes	163,529	163,529	28,180	46,674	238,383
Payroll service	997	997	564	499	2,060
Permits and licenses	94	94	364	87	545
Postage and delivery	2,410	2,410	1,190	965	4,565
Printing and reproduction	795	795	688	482	1,965
Professional fees	1,476	1,476	3,983	4,882	10,341
Rent	10,220	10,220	2,638	2,637	15,495
Repairs and maintenance	506	506	569	75	1,150
Respite care	88,163	88,163	-	-	88,163
Revenue sharing	55,733	55,733	6,392	10,720	72,845
Strategic planning	2,682	2,682	2,302	2,370	7,354
Strikeout ALS	-	-	-	1,745	1,745
Symposium	4,429	4,429	-	-	4,429
Telephone	6,550	6,550	1,399	1,323	9,272
Travel	14,849	14,849	545	3,546	18,940
Utilities	861	861	431	431	1,723
Walk	23	23	-	32,694	32,717
Website	246	246	8	292	546
Total program and supporting services	\$ <u>457,946</u>	\$ <u>457,946</u>	\$ <u>59,064</u>	\$ <u>143,029</u>	\$ <u>660,039</u>

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
TENNESSEE CHAPTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JANUARY 31, 2008

Cash Flows From Operating Activities:		
Decrease in net assets		\$ (39,551)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	\$ 3,684	
Net change in donated inventory	(22,865)	
Interest earned on certificates of deposit	5,021	
Changes in:		
Prepaid assets	893	
Accounts payable	62,214	
Accrued expenses	<u>(1,248)</u>	
Total adjustments		<u>47,699</u>
Net cash provided by operating activities		8,148
Cash Flows From Investing Activities:		
Purchase of property and equipment	(2,002)	
Proceeds from maturity of certificate of deposit	<u>190,180</u>	
Net cash provided by investing activities		<u>188,178</u>
Net increase in cash		196,326
Cash - beginning of year		<u>261,063</u>
Cash - end of year		<u>\$ 457,389</u>

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS ASSOCIATION
TENNESSEE CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2008

NOTE 1 - Summary of Significant Accounting Policies

a. Nature of Activities

The Amyotrophic Lateral Sclerosis Association, 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 for people with Amyotrophic Lateral Sclerosis (ALS). Virtually all of the Organization's revenues and support for the year ended January 31, 2008, 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, 2008, 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
TENNESSEE CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2008

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 current liabilities approximate fair values due to the short maturities of these instruments.

j. Concentration of Credit Risk

At January 31, 2008, 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, 2008, the Organization received 54% of total revenue from one event.

NOTE 2 - Inventory and In-kind Revenues and Expenses

Inventory, which is comprised of donated items such as wheelchairs, cushions, mattresses, ramps, and walkers, etc., is valued at each item's fair value on the date received. The Organization recognizes in-kind revenues at the fair value for the items received and recognizes in-kind expenses, also at fair value, as the donated items are loaned or given to clients. In-kind revenues differ from in-kind expenses in fiscal year 2008 because more items were received than loaned out.

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, 2008, the Organization had remitted \$72,845 to the national affiliate.

NOTE 4 - Operating Lease

The Organization leases office space, equipment and other real property under leases classified as operating leases. Total rental expense for the year ended January 31, 2008, was \$18,310. The Nashville office lease expires in November 2008 while the Organization's other leases are month-to-month. Future minimum lease payments for the year ended January 31, 2009, are \$9,000.