

**THE ALS ASSOCIATION
GOLDEN WEST CHAPTER**

**FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

JANUARY 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The ALS Association Golden West Chapter

Opinion

We have audited the accompanying financial statements of The ALS Association Golden West Chapter (a nonprofit organization), which comprise the Statement of Financial Position as of January 31, 2023, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ALS Association Golden West Chapter as of January 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The ALS Association Golden West Chapter and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The ALS Association Golden West Chapter's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT

continued

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ALS Association Golden West Chapter's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The ALS Association Golden West Chapter's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT

continued

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Program Services Breakdown Schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited The ALS Association Golden West Chapter's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended January 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harrington Group

Pasadena, California

November 14, 2023

**THE ALS ASSOCIATION
GOLDEN WEST CHAPTER**

STATEMENT OF FINANCIAL POSITION

January 31, 2023

With comparative totals at January 31, 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
ASSETS				
Cash and cash equivalents (Note 2)	\$ 9,455,943	\$ 1,936,455	\$ 11,392,398	\$ 10,469,357
Accounts receivable	288,301		288,301	486,551
Pledges receivable, net (Note 4)	419,217	432,857	852,074	831,428
Prepaid expenses	40,017		40,017	85,429
Investments (Note 5)	138,357		138,357	131,280
Right-of-use assets - operating leases (Note 7)	604,957		604,957	-
	\$ 10,946,792	\$ 2,369,312	\$ 13,316,104	\$ 12,004,045
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 311,954	\$ -	\$ 311,954	\$ 137,149
Accrued liabilities (Note 6)	553,672		553,672	347,848
Refundable advances			-	722,010
Right-of-use liabilities - operating leases (Note 7)	619,625		619,625	-
Note payable (Note 8)	160,000		160,000	160,000
	1,645,251	-	1,645,251	1,367,007
NET ASSETS				
Without donor restrictions	9,301,541		9,301,541	8,442,279
With donor restrictions (Note 10)		2,369,312	2,369,312	2,194,759
	9,301,541	2,369,312	11,670,853	10,637,038
TOTAL LIABILITIES AND NET ASSETS	\$ 10,946,792	\$ 2,369,312	\$ 13,316,104	\$ 12,004,045

The accompanying notes are an integral part of these financial statements.

**THE ALS ASSOCIATION
GOLDEN WEST CHAPTER**

STATEMENT OF ACTIVITIES
For the year ended January 31, 2023
With comparative totals for the year ended January 31, 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
REVENUE AND SUPPORT				
Contributions	\$ 7,185,061	\$ 1,015,939	\$ 8,201,000	\$ 9,178,839
Special events income - net of expenses of \$534,434	1,251,054		1,251,054	1,288,704
Interest income	2,319		2,319	587
In-kind donations (Note 11)	2,000		2,000	-
Gain on investments	227		227	3,839
Net assets released from restrictions (Note 10)	841,386	(841,386)	-	-
TOTAL REVENUE AND SUPPORT	9,282,047	174,553	9,456,600	10,471,969
EXPENSES				
Program services	7,634,183		7,634,183	7,638,215
Management and general	739,993		739,993	791,137
Fundraising	837,516		837,516	847,302
TOTAL EXPENSES	9,211,692	-	9,211,692	9,276,654
CHANGE IN NET ASSETS BEFORE OTHER INCOME	70,355	174,553	244,908	1,195,315
OTHER INCOME				
Employee retention credit (Note 12)	66,897		66,897	-
Paycheck protection program loan forgiveness (Note 13)	722,010		722,010	-
CHANGE IN NET ASSETS	859,262	174,553	1,033,815	1,195,315
NET ASSETS, BEGINNING OF YEAR	8,442,279	2,194,759	10,637,038	9,441,723
NET ASSETS, END OF YEAR	\$ 9,301,541	\$ 2,369,312	\$ 11,670,853	\$ 10,637,038

The accompanying notes are an integral part of these financial statements.

**THE ALS ASSOCIATION
GOLDEN WEST CHAPTER**

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended January 31, 2023
With comparative totals for the year ended January 31, 2022

	Program Services	Management and General	Fundraising	Total Expenses	
				2023	2022
Salaries	\$ 3,169,728	\$ 335,070	\$ 350,168	\$ 3,854,966	\$ 3,702,468
Payroll taxes and benefits	691,274	73,074	76,367	840,715	803,554
Total personnel costs	3,861,002	408,144	426,535	4,695,681	4,506,022
Outside contractors/providers	981,957	103,802	108,479	1,194,238	1,207,039
Research, patient service, and program support - National office	542,439	76,641	144,274	763,354	1,974,970
Clinic programs	737,500			737,500	530,330
Constituent activities, conferences, and meetings	348,829	36,875	38,536	424,240	173,611
Supplies and materials	250,532	26,484	27,677	304,693	84,261
Rent and loan programs	221,233	13,305	24,440	258,978	259,848
Professional services/constituent support and advocacy	196,593	20,782	21,718	239,093	188,399
Travel and mileage	148,060	15,651	16,357	180,068	19,730
Equipment purchases	63,651	6,729	7,032	77,412	74,762
Miscellaneous office expenses	39,824	4,210	4,399	48,433	24,546
Telephone and internet	36,680	3,877	4,052	44,609	52,461
Postage, shipping, and mailing	33,897	3,583	3,745	41,225	30,778
Insurance	32,913	3,479	3,636	40,028	9,663
Maintenance of durable medical equipment, augmentative and alternative communication devices, and other equipment	37,574			37,574	37,069
Outside services/clinical and equipment evaluations	35,078			35,078	55,550
Licenses and fees	23,180	2,450	2,561	28,191	15,561
Printing	18,677	1,974	2,063	22,714	15,076
Advertising and publicity	11,986	1,267	1,324	14,577	5,229
Interest expense		10,081		10,081	-
Dues and subscriptions	6,230	659	688	7,577	10,352
Transportation services (persons with ALS)	6,348			6,348	1,397
TOTAL 2023 FUNCTIONAL EXPENSES	\$ 7,634,183	\$ 739,993	\$ 837,516	\$ 9,211,692	
TOTAL 2022 FUNCTIONAL EXPENSES	\$ 7,638,215	\$ 791,137	\$ 847,302		\$ 9,276,654

The accompanying notes are an integral part of these financial statements.

**THE ALS ASSOCIATION
GOLDEN WEST CHAPTER**

STATEMENT OF CASH FLOWS

For the year ended January 31, 2023

With comparative totals for the year ended January 31, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,033,815	\$ 1,195,315
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of refundable advance - paycheck protection program loan	(722,010)	-
Gain on sale of investments	(227)	(3,839)
(Increase) decrease in operating assets:		
Accounts receivable	198,250	(440,801)
Pledges receivable	(20,646)	746,372
Prepaid expenses	45,412	(29,720)
Amortization of right-of-use assets, operating leases	188,703	-
Reduction of lease liability, operating leases	(174,035)	-
Increase (decrease) in operating liabilities:		
Accounts payable	174,805	96,826
Accrued liabilities	205,824	(323,045)
	929,891	1,241,108
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(6,850)	(25,215)
	(6,850)	(25,215)
NET INCREASE IN CASH AND CASH EQUIVALENTS	923,041	1,215,893
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	10,469,357	9,253,464
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 11,392,398	\$ 10,469,357
NON-CASH FINANCING AND OPERATING ACTIVITIES:		
Right-of-use assets/liabilities from adoption of ASC 842	\$ 793,660	\$ -

The accompanying notes are an integral part of these financial statements.

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

1. Organization

The ALS Association Golden West Chapter ("ALSA-GWC") is dedicated to leading the fight to treat and cure Amyotrophic Lateral Sclerosis ("ALS") through global research and nationwide advocacy while empowering people with ALS and their families to live fuller lives by providing them with compassionate care and support.

Working on multiple fronts, ALSA-GWC's primary goals are:

- To provide every person with ALS with the best coordinated medical care, as well social, emotional, and concrete support – all at no cost to the person
- To support global, cutting-edge research and coordinate the California ALS research community to improve and expand ALS research
- To lead the effort to generate awareness and promote public policy that directly benefits people with ALS and their families now, and in the future

ALSA-GWC's commitment is to implement highly effective services, cutting-edge research, and public policy initiatives that improve the lives of individuals and families living with ALS. ALSA-GWC relies on the generosity of individuals, corporations, and philanthropic foundations to support its mission-critical activities and operations.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions. Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

With Donor Restrictions. Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

ALSA-GWC has defined cash and cash equivalents as cash in banks and short-term certificates of deposit that are used for operations.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Investments

ALSA-GWC values its investment at fair value. Unrealized gains or losses (including investments bought, sold, and held during the year) are reflected in the Statement of Activities as a gain on investments. Short-term highly liquid money market deposits that are not used for operations are treated as investments.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

ALSA-GWC is required to measure pledged contributions and in-kind contributions at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

continued

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year.

Concentration of Credit Risks

ALSA-GWC places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. ALSA-GWC has not incurred losses related to these investments.

Donated Materials and Services

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

Income Taxes

ALSA-GWC is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by ALSA-GWC in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. ALSA-GWC's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Functional Allocation of Expenses

Costs of providing ALSA-GWC's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. ALSA-GWC uses salaries allocations to allocate indirect costs.

continued

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

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 that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncement

ALSA-GWC adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on the Statement of Financial Position and disclose key information about leasing arrangements effective January 31, 2023. ALSA-GWC elected not to restate the comparative period (Fiscal year 2022). ALSA-GWC also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, ALSA-GWC recognized Right-of-Use (“ROU”) assets of \$793,660 and lease liabilities totaling \$793,660 in its Statement of Financial Position beginning February 1, 2022. The discount rate used to record the ROU asset and lease liability at the transition date of February 1, 2022, was 3.25%. The adoption did not result in a significant effect on amounts reported in the Statement of Activities for the year ended January 31, 2023.

Leases

ALSA-GWC applies Accounting Standards Codification (“ASC”) 842, *Leases*, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant, or equipment for a period of time in excess of twelve months in exchange for consideration. ALSA-GWC defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. ALSA-GWC further determined some existing leases are operating leases, which are included in ROU assets and lease liabilities in the Statement of Financial Position.

Revenue and Revenue Recognition

ALSA-GWC recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of ALSA-GWC’s revenue may be derived from cost-reimbursable state, county or local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when ALSA-GWC has incurred expenditures in compliance with specific contract or grant provisions.

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

3. Liquidity and Availability of Resources

ALSA-GWC monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

ALSA-GWC has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 180 days of normal operating expenses, which are, on average, approximately \$3,400,000. ALSA-GWC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

ALSA-GWC has \$10,762,373 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$9,916,498, accounts receivable of \$288,301, pledges receivable of \$419,217, and short-term investments of \$138,357. None of these financial assets are subject to donor or other contractual restrictions that would make them unavailable for general expenditure within one year of the statement of financial position date. The pledges receivable is subject to implied time restrictions but are expected to be collected as per each pledge agreement.

In addition to financial assets available to meet general expenditures over the next 12 months, the ALSA-GWC operates within a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of ALSA-GWC's cash and shows positive cash for years ended January 31, 2023 and 2022.

ALSA-GWC has various sources of liquidity at its disposal. As part of its liquidity management plan, ALSA-GWC invests cash in excess of daily requirements in short-term investments, certificates of deposits, and money market funds.

4. Pledges Receivable

Unconditional promises to give (pledges receivable) that are expected to be collected in future years are measured on a non-recurring basis at the date of the pledge and recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the pledges are received. The discount rate used during the year ended January 31, 2023 was 4%. ALSA-GWC has established an allowance for doubtful accounts, which is determined by considering a number of factors, including the length of time pledges receivable are past due, and the pledgers' current ability to pay its obligation owed to ALSA-GWC. Pledges receivable at January 31, 2023 are expected to be collected as follows:

Within one year	\$473,948
One to five years	<u>432,857</u>
	906,805
Less: unamortized discount on pledges receivable	<u>(41,956)</u>
Subtotal	864,849
Less: allowance for uncollectible accounts	<u>(12,775)</u>
Net pledges receivable	<u>\$852,074</u>

continued

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

5. Investments

Investments at January 31, 2023 was \$138,357, which consist of \$138,357 in money market funds.

All investment earnings and market value changes, less expenses, are recorded by ALSA-GWC on a monthly basis.

6. Accrued Liabilities

Accrued liabilities at January 31, 2023 consist of the following:

Accrued vacation	\$270,630
Due to ALS National:	
Accrued revenue sharing	219,059
Deferred revenue	55,825
Accrued interest expense (Note 8)	<u>8,158</u>
	<u>\$553,672</u>

7. Right-of-Use Assets and Liabilities – Operating Leases

ALSA-GWC evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent ALSA-GWC's right to use underlying assets for the lease term, and the lease liabilities represent ALSA-GWC's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. ALSA-GWC has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of January 31, 2023, was 3.25%.

ALSA-GWC's operating leases consist primarily of real estate for office space located in Woodland Hills and Oakland, and copier leases for office operating.

For the year ended January 31, 2023, total short-term operating lease cost was \$214,497. As of January 31, 2023, the weighted-average remaining lease term for ALSA-GWC's operating leases was approximately 41 months.

Cash paid for operating leases for the year ended January 31, 2023 was 199,829. There were no noncash investing and financing transactions related to leasing.

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

7. Right-of-Use Assets and Liabilities – Operating Leases, continued

Future maturities under operating leases are as follows:

<u>Year ending January 31,</u>	
2024	\$207,412
2025	213,563
2026	116,352
2027	118,533
2028	<u>9,864</u>
Less: Present value discount	<u>(46,099)</u>
	<u>\$619,625</u>

The underlying ROU asset related to the above liability is as follows:

ROU asset balance at February 1, 2022	\$ 793,660
Less: amortization of lease	<u>(188,703)</u>
ROU asset balance at January 31, 2023	<u>\$ 604,957</u>

8. Note Payable

In June 2020, ALSA-GWC was the recipient of a loan from the Small Business Administration (“SBA”) in the amount of \$160,000. The loan bears an interest of 2.75% per annum, with monthly payments of \$641 including principal and interest. Monthly payments began in June 2022, which was 24 months from the date of the note and in accordance with the loan terms. The note is due in June 2050. The accrued interest as of January 31, 2023 was \$8,158, which is disclosed in accrued liabilities.

9. Fair Value Measurements

The table below presents transactions measured at fair value on a non-recurring basis during the year ended January 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledge contributions - new	<u>\$ -</u>	<u>\$ -</u>	<u>\$355,000</u>	<u>\$355,000</u>

The fair value of pledged contributions - new is measured on a non-recurring basis based on the value provided by the donor at the date of pledge (Level 3 inputs).

continued

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

10. Net Assets With Donor Restrictions

Net assets with donor restrictions at January 31, 2023 consist of the following:

Patient services – various	\$1,936,455
Pledges receivable – time restrictions	<u>432,857</u>
	<u>\$2,369,312</u>

For the year ended January 31, 2023, net assets released for program and time restrictions were \$841,386 of which \$541,098 were released from time restrictions and the remaining \$300,288 were released from purpose restrictions.

11. In-kind Donation

ALSA-GWC received \$2,000 in-kind donation for “Valkyrie Yacht Experience” as prize for ALSA-GWC’s September 2022 golf tournament and the value was measured based on the fair market price at the retail stores.

12. Employee Retention Credit

The CARES Act provides an employee retention credit (“ERC”), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit was 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was increased to \$10,000 of qualified wages per quarter. During the fiscal year January 31, 2023, ALSA-GWC qualified for the tax credit under the CARES Act and recorded \$66,897 as revenue.

13. Refundable Advances

In January 2021 ALSA-GWC was granted a second loan under the Paycheck Protection Program (“PPP”) administered by the SBA approved partner for \$722,010. The loan was uncollateralized and was fully guaranteed by the federal government. ALSA-GWC recorded the loan as a refundable advance.

In May 2022, ALSA-GWC was notified that their SBA PPP loan application forgiveness for \$722,010 was approved and recorded as revenue.

The SBA reserves the right to review any loan in their discretion and the SBA will review a loan of any size at any time. Areas of review include eligibility, necessity, calculation of the loan amount, use of loan proceeds, and the calculation of the loan forgiveness amount. PPP loan documentation should be retained for six years after the date the loan is forgiven or repaid in full.

THE ALS ASSOCIATION GOLDEN WEST CHAPTER

NOTES TO FINANCIAL STATEMENTS

14. Subsequent Events

Subsequent to fiscal year, ALSA-GWC is one of 15 chapters that legally separated from the national ALS Association, effective September 1, 2023. These chapters represent nearly half of the patient community and more than half of the Certified Treatment Centers of Excellence and multidisciplinary specialty clinics for ALS in the United States. The 15 chapters are collaborating closely and will continue to maintain a robust network of information and resource sharing across the ALS community. ALSA-GWC will continue to function as a leader in the field, fostering innovation and state-of-the-art programs. The organization is well-positioned to continue effectively meeting the unique needs and responding to key priorities of the local communities that it serves. As one of the largest ALS organizations in the nation currently serving more than 2,000 people diagnosed with ALS, as well as many family caregivers, professional caregivers, and loved ones, ALSA-GWC will leverage its expertise in creating access to robust community based care services, strong advocacy at the local, state and federal levels as well as within healthcare systems, accelerating research, and delivering public education and awareness programs to benefit the ALS community long into the future.

Management has evaluated subsequent events through November 14, 2023, the date which the financial statements were available for issue. Except as noted above, no other events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

**THE ALS ASSOCIATION
GOLDEN WEST CHAPTER**

PROGRAM SERVICES BREAKDOWN SCHEDULE
For the year ended January 31, 2023

	Care Services	Community Outreach	General Program	National Program	Total Program Services
Salaries	\$1,591,799	\$907,084	\$670,844	\$0	\$3,169,727
Payroll taxes & benefits	\$347,150	\$197,823	\$146,302	\$0	\$691,275
Subtotal	\$1,938,949	\$1,104,907	\$817,146	\$0	\$3,861,002
Outside contractors/providers	\$981,957	\$0	\$0	\$0	\$981,957
Clinic programs	\$737,500	\$0	\$0	\$0	\$737,500
Research, patient service, and program support - National office	\$0	\$0	\$0	\$542,439	\$542,439
Constituent activities, conferences, and meetings	\$139,532	\$87,207	\$122,090	\$0	\$348,829
Supplies and materials	\$100,213	\$62,635	\$87,686	\$0	\$250,534
Rent and loan programs	\$88,493	\$55,308	\$77,431	\$0	\$221,232
Professional services/Constituent support and advocacy	\$196,593	\$0	\$0	\$0	\$196,593
Travel and mileage	\$59,224	\$37,015	\$51,821	\$0	\$148,060
Equipment purchases	\$25,461	\$15,913	\$22,278	\$0	\$63,652
Miscellaneous office expenses	\$15,929	\$9,956	\$13,938	\$0	\$39,823
Durable medical equipment, augmentative & alternative communication devices, and equipment maintenance	\$37,574	\$0	\$0	\$0	\$37,574
Telephone and internet	\$14,672	\$9,170	\$12,838	\$0	\$36,680
Outside services/Clinical and equipment evaluations	\$35,078	\$0	\$0	\$0	\$35,078
Postage, shipping, and mailing	\$13,559	\$8,474	\$11,864	\$0	\$33,897
Insurance	\$13,165	\$8,228	\$11,519	\$0	\$32,912
Licenses and fees	\$9,272	\$5,795	\$8,113	\$0	\$23,180
Printing	\$7,471	\$4,669	\$6,537	\$0	\$18,677
Advertising and publicity	\$4,795	\$2,997	\$4,195	\$0	\$11,987
Transportation services (persons with ALS)	\$6,348	\$0	\$0	\$0	\$6,348
Dues and subscriptions	\$2,492	\$1,557	\$2,180	\$0	\$6,229
Bad debt expense	\$0	\$0	\$0	\$0	\$0
Total	\$4,428,277	\$1,413,831	\$1,249,636	\$542,439	\$7,634,183

See independent auditors' report.