

THE ALS ASSOCIATION GEORGIA CHAPTER

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

JANUARY 31, 2022 AND 2021

**THE ALS ASSOCIATION GEORGIA CHAPTER
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JANUARY 31, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The ALS Association Georgia Chapter

Opinion

We have audited the accompanying financial statements of The ALS Association Georgia Chapter (a Georgia not-for-profit organization), which comprise the statements of financial position as of January 31, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the years 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 Georgia Chapter, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The ALS Association Georgia Chapter and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Georgia Chapter's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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, including omissions, 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 Georgia 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 Georgia 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.

Warren Averett, LLC

Atlanta, Georgia
July 15, 2022

**THE ALS ASSOCIATION GEORGIA CHAPTER
STATEMENTS OF FINANCIAL POSITION
JANUARY 31, 2022 AND 2021**

ASSETS		
	2022	2021
Cash and cash equivalents	\$ 1,711,780	\$ 1,634,830
Contributions and accounts receivable	1,000	45,684
Prepaid and other assets	1,169	767
Property and equipment, net	-	4,828
TOTAL ASSETS	\$ 1,713,949	\$ 1,686,109
LIABILITIES AND NET ASSETS		
	2022	2021
LIABILITIES		
Accounts payable and accrued liabilities	\$ 88,863	\$ 91,527
Due to National Office	30,884	39,802
Deferred revenue – PPP grant	-	105,392
Line of credit	-	125,000
TOTAL LIABILITIES	119,747	361,721
NET ASSETS		
Without donor restrictions		
Net investment in property and equipment	-	4,828
Board-designated operational reserves	692,000	740,040
Undesignated, available for operations	178,234	(32,033)
Without donor restrictions, total	870,234	712,835
With donor restrictions	723,968	611,553
TOTAL NET ASSETS	1,594,202	1,324,388
TOTAL LIABILITIES AND NET ASSETS	\$ 1,713,949	\$ 1,686,109

See notes to the financial statements.

**THE ALS ASSOCIATION GEORGIA CHAPTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, gains, losses, and other support		
Contributions	\$ 311,693	\$ 339,604
Special events	792,754	530,141
Gifts-in-kind	33,622	8,000
Federal grant revenue – PPP loan	221,077	-
Interest and other income	51,373	9,819
Net assets released from restrictions	<u>300,035</u>	<u>249,997</u>
Total revenues, gains, losses, and other support	<u>1,710,554</u>	<u>1,137,561</u>
Expenses		
Program		
Patient services and education	1,077,931	1,130,817
Research	<u>64,225</u>	<u>56,813</u>
Total program	<u>1,142,156</u>	<u>1,187,630</u>
Fundraising	255,424	226,951
General and administration	<u>155,575</u>	<u>136,787</u>
Total expenses	<u>1,553,155</u>	<u>1,551,368</u>
Increase (Decrease) in net assets without donor restrictions	<u>157,399</u>	<u>(413,807)</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	412,450	405,023
Net assets released from restrictions	<u>(300,035)</u>	<u>(249,997)</u>
Increase in net assets with donor restrictions	<u>112,415</u>	<u>155,026</u>
CHANGE IN TOTAL NET ASSETS	269,814	(258,781)
NET ASSETS AT BEGINNING OF YEAR	<u>1,324,388</u>	<u>1,583,169</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,594,202</u></u>	<u><u>\$ 1,324,388</u></u>

See notes to the financial statements.

**THE ALS ASSOCIATION GEORGIA CHAPTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	Patient Services and Education	Research	Total Programs	Fundraising	General and Administration	2022 Totals	2021 Totals
Salaries and wages	\$ 355,063	\$ -	\$ 355,063	\$ 110,847	\$ 64,423	\$ 530,333	\$ 571,713
Fringe benefits and payroll taxes	78,045	-	78,045	24,365	14,161	116,571	125,195
Total salaries and related expenses	433,108	-	433,108	135,212	78,584	646,904	696,908
Patient equipment and assistance	374,243	-	374,243	-	-	374,243	437,641
National ALS Association dues	79,614	64,225	143,839	38,300	20,081	202,220	174,059
Technology and communications	36,763	-	36,763	13,654	2,100	52,517	49,136
Special event expense	34,145	-	34,145	34,146	-	68,291	23,383
Equipment lease	5,421	-	5,421	529	661	6,611	7,204
Postage and shipping	2,429	-	2,429	648	162	3,239	3,882
Printing and publications	402	-	402	107	27	536	1,435
Professional fees	45,830	-	45,830	8,813	33,491	88,134	45,478
Supplies	899	-	899	510	90	1,499	1,445
Travel	3,408	-	3,408	180	-	3,588	8,207
Depreciation	4,099	-	4,099	-	729	4,828	6,633
Meetings and seminars	48	-	48	8	24	80	721
Rent	43,283	-	43,283	13,513	7,853	64,649	66,235
Merchant and bank fees	5,381	-	5,381	6,508	626	12,515	8,631
Interest	-	-	-	-	2,701	2,701	4,398
Other	8,858	-	8,858	3,296	8,446	20,600	15,972
Total expenses	\$ 1,077,931	\$ 64,225	\$ 1,142,156	\$ 255,424	\$ 155,575	\$ 1,553,155	\$ 1,551,368

See notes to the financial statements.

**THE ALS ASSOCIATION GEORGIA CHAPTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2021**

	Patient Services and Education	Research	Total Programs	Fundraising	General and Administration	2021 Totals
Salaries and wages	\$ 383,753	-	\$ 383,753	\$ 115,408	\$ 72,552	\$ 571,713
Fringe benefits and payroll taxes	84,035	-	84,035	25,272	15,888	125,195
Total salaries and related expenses	467,788	-	467,788	140,680	88,440	696,908
Patient equipment and assistance	437,641	-	437,641	-	-	437,641
National ALS Association dues	70,946	56,813	127,759	32,549	13,751	174,059
Technology and communications	34,396	-	34,396	12,775	1,965	49,136
Special event expense	11,691	-	11,691	11,692	-	23,383
Equipment lease	5,907	-	5,907	577	720	7,204
Postage and shipping	1,746	-	1,746	1,825	311	3,882
Printing and publications	503	-	503	918	14	1,435
Professional fees	28,196	-	28,196	4,548	12,734	45,478
Supplies	867	-	867	491	87	1,445
Travel	7,796	-	7,796	411	-	8,207
Depreciation	5,631	-	5,631	-	1,002	6,633
Meetings and seminars	433	-	433	72	216	721
Rent	44,460	-	44,460	13,370	8,405	66,235
Merchant and bank fees	3,711	-	3,711	4,488	432	8,631
Interest	-	-	-	-	-	-
Other	9,105	-	9,105	2,555	4,398	4,398
Total expenses	\$ 1,130,817	\$ 56,813	\$ 1,187,630	\$ 226,951	\$ 136,787	\$ 1,551,368

See notes to the financial statements.

**THE ALS ASSOCIATION GEORGIA CHAPTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 269,814	\$ (258,781)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	4,828	6,633
Change in assets and liabilities:		
Contributions and accounts receivable	44,684	(42,184)
Prepaid and other assets	(402)	8,170
Accounts payable and accrued liabilities	(2,664)	22,968
Due to/from National Office	(8,918)	44,785
Deferred revenue – PPP grant	(105,392)	105,392
Net cash provided by (used in) operating activities	<u>201,950</u>	<u>(113,017)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Borrowings on line of credit	-	125,000
Repayment on line of credit	(125,000)	-
Net cash (used in) provided by operating activities	<u>(125,000)</u>	<u>125,000</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	76,950	11,983
CASH AND CASH EQUIVALENTS AT:		
BEGINNING OF YEAR	<u>1,634,830</u>	<u>1,622,847</u>
END OF YEAR	<u>\$ 1,711,780</u>	<u>\$ 1,634,830</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW		
Cash paid during the year for interest	<u>\$ 2,701</u>	<u>\$ 4,398</u>

See notes to the financial statements.

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
DESCRIPTION OF ASSOCIATION**

Description of Association

The ALS Association Georgia Chapter (the Association) is a not-for-profit organization incorporated in the State of Georgia and is one of 39 local chapters across the nation affiliated with the National Amyotrophic Lateral Sclerosis Association (National ALS Association or National). The mission of both the National and local chapters 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. The local Association is also dedicated to serving those living with ALS in Georgia, along with their families, by providing direct patient education, loaning medical equipment, hosting support groups, providing financial assistance through a Care Grant Reimbursement program, the Sally Panfel In-Home Care & Respite Program, and the Paul B. Williams ALS Transportation Program. These programs and services are supported through the donations of individuals, foundations, and corporate contributions.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Accrual Basis of Accounting

The Association prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements have been prepared on the accrual basis of accounting; consequently, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

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

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions consist of the following:

Net investment in property and equipment – Represents the investment by the Association in property and equipment, net of depreciation.

Board-designated operational reserves – Represents amounts designated by the Board for future operational use to ensure the stability of the mission, programs, employment, and ongoing operations of the Association.

Undesignated, available for operations – Represents net assets that are fully available, at the discretion of the Association's management and Board, to utilize in any of its programs or supporting services.

Net assets with donor restrictions – Net assets whose use by the Association is limited by donor-imposed restrictions that either expire by the passage of time or can be fulfilled by actions of the Association.

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
DESCRIPTION OF ASSOCIATION – CONTINUED**

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received, provided there is no right of return of the assets received and no indicators of barriers imposed by the donor. Conditional pledges, if received, are not recognized until the conditions on which they depend are substantially met. Unconditional promises to give that are expected to be collected in future years are recorded at fair value which is measured at the present value of the future cash flows with discounts computed using risk-adjusted rates commensurate with the associated risks. Discounts on contributions receivable are amortized and recorded as additional contribution revenue in accordance with any donor-imposed restriction. An allowance for uncollectible contributions receivable is provided based upon management's judgment and consideration of various factors including prior collection history, type of contribution and nature of fundraising activity. No allowance was deemed necessary at January 31, 2021 or 2020.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of interest-bearing checking and money market accounts.

Property and Equipment

Property and equipment are stated at cost if purchased or at donated fair value at the date of gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets (three to seven years). Expenditures for property and equipment in excess of \$5,000 and donated assets with a fair value of more than \$5,000 are capitalized.

Contributed Equipment, Materials, and Services

Contributed goods and services are recorded at fair value at the date of donation as both contribution revenue and expenses if certain criteria defined in professional standards are met. Contributions of services are recognized only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided.

Prepaid and Other Assets

Prepaid and other assets are primarily made up of prepaid insurance and other receivables.

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
DESCRIPTION OF ASSOCIATION – CONTINUED**

Functional Expenses

Expenses are charged to each program or supporting service based on direct expenditures incurred. Certain expenses that are attributable to more than one program or supporting function are allocated on a reasonable basis that is consistently applied. These allocated expenses include depreciation, rent, technology and communications, salaries and wages, and fringe benefits and payroll taxes. Salaries and wages and fringe benefits and payroll taxes are allocated based on time and effort spent. Depreciation is allocated based on the program or supporting services for which related equipment is used. Rent expense is allocated based on square footage. Technology and communications expense are allocated based on time and costs of specific technology utilized.

Risk Management

The Association is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and material disasters. The Association carries commercial insurance for risks of loss.

Income Taxes

The Association is recognized as an organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the IRC), whereby only unrelated business income, as defined by Section 512(a)(1) of the IRC, is subject to federal income tax.

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting Standards – Yet to be Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which will change the current classification of leases and require most leases to be recorded on the statements of financial position (as right-of-use assets and lease liabilities). The ASU is currently set to go into effect for the Association for the year ending January 31, 2023. The Association is currently assessing the impact of this ASU on its financial statements.

2. CONCENTRATION OF CREDIT RISK

The Association maintains its deposits at regional banks operating in Georgia. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 per financial institution. As of January 31, 2022 and 2021, the Association had cash balances in excess of FDIC insurance limits in the amount of approximately \$1,200,000 and \$1,100,000 respectively. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

3. LIQUIDITY

The schedule below reflects the Association's financial assets and liquidity resources as of January 31, reduced by amounts not available for general use within one year because of donor or Board-imposed restrictions.

	<u>2022</u>	<u>2021</u>
Financial assets consist of:		
Cash and cash equivalents	\$ 1,711,780	\$ 1,634,830
Contributions and accounts receivable, due within one year	<u>1,000</u>	<u>45,684</u>
Financial assets, at year end	1,712,780	1,680,514
Less: assets unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	723,968	611,553
Board designations:		
Amounts set aside for operational reserves	<u>692,000</u>	<u>740,040</u>
Financial assets available to meet cash needs for general expenditures within one year	296,812	328,921
Liquidity resources		
Bank line of credit (undrawn)	<u>250,000</u>	<u>125,000</u>
Total financial assets and liquidity resources available within one year	<u>\$ 546,812</u>	<u>\$ 453,921</u>

The Association obtains certain support from donor restricted contributions. Because a donor's restriction requires resources to be used for a particular purpose or in a future period, the Association must maintain sufficient resources to meet those responsibilities of its donors.

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

3. LIQUIDITY – CONTINUED

Due to the donor restrictions above, certain financial assets may not be available for general expenditure within one year. 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. Should the need arise, the Association also has access to a line of credit with an interest rate of Prime plus 0.50%, with a floor of 5.00%, as reflected on the previous page and further described in Note 7. At January 31, 2022 and 2021, the Association had access to \$250,000 and 125,000 under this line of credit.

Per the Association’s operating reserve policy, the Association maintains a Board designated operating reserve fund sufficient to maintain ongoing operations for a set period of time, measured in months. The fund is invested in cash or cash equivalent funds, with a target fund equal to a minimum of nine months of average monthly operating costs, to ensure the stability of the mission, programs, employment, and ongoing operations of the Association. With Board authorization, this operating reserve could be used to fund general expenditures of the Association.

4. CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

At year-end, contributions and accounts receivable are evaluated by management for collectability and, as needed, an allowance is established for those estimated as uncollectable. Management believes that, at January 31, 2022 and 2021, all amounts were fully collectable. Accordingly, an allowance has not been recorded. All of the contributions and accounts receivable at January 31, 2021 and 2020 are expected to be collected within one year.

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at January 31, 2022 and 2021:

	<u>Estimated Useful Life</u>	<u>2022</u>	<u>2021</u>
Medical equipment	3-5 years	\$ 64,044	\$ 64,044
Office equipment	3-7 years	19,722	19,722
		83,766	83,766
Less accumulated depreciation		(83,766)	(78,938)
Property and equipment, net		<u>\$ -</u>	<u>\$ 4,828</u>

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

6. RELATED PARTY TRANSACTIONS

National ALS Association dues, including funds collected by the chapter for research and remitted to National, totaled \$202,220 and \$174,059 for the years ended January 31, 2022 and 2021, respectively. Dues payable to the National ALS Association totaled \$30,884 and \$39,802 at January 31, 2022 and 2021 respectively. Dues are utilized by National to promote research projects at the National level and to fund general and administrative functions that directly benefit the Association. Dues and any resulting refunds are calculated quarterly based on a formula derived from contributions received.

7. OPERATING LINE OF CREDIT

The Association maintains a line of credit of \$250,000, with a maturity date of March 25, 2022, bearing interest at a floating rate equal to the Wall Street Journal prime rate plus 1%, which was 4.75% at January 31, 2021. This line is secured by a blanket lien on the Association's assets. As of January 31, 2021, \$125,000 was outstanding on the line of credit; no amounts were outstanding at January 31, 2022.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were subject to the following restrictions at January 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to purpose restriction:		
In-home and respite care	\$ 571,815	\$ 458,674
Transportation program	62,932	86,790
Care grant program	3,540	13,000
Community engagement	40,681	45,001
Other	45,000	8,088
Total net assets with donor restrictions	<u>\$ 723,968</u>	<u>\$ 611,553</u>

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

8. NET ASSETS WITH DONOR RESTRICTIONS – CONTINUED

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors, as follows for the years ended January 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
In-home and respite care	\$ 108,342	\$ 115,763
Transportation program	32,529	14,824
Care grant program	144,960	118,600
Community engagement	4,320	-
Other	9,884	810
Total restrictions released	<u>\$ 300,035</u>	<u>\$ 249,997</u>

9. GIFTS-IN-KIND

Gifts-in-kind are reported as contribution income at fair value as of the date received and are either capitalized or expensed by natural expense classification. Gifts-in-kind for the years ended January 31, 2022 and 2021, consisted of \$33,622 and \$8,000 of patient equipment given for patient services and education.

10. OPERATING LEASES

The Association leases office equipment under non-cancelable lease agreements. Equipment lease expense for the years ended January 31, 2022 and 2021, was \$6,611 and \$7,204, respectively. The Association also leases office space, for which rental expense was \$64,649 and \$66,235 for the years ended January 31, 2022 and 2021, respectively.

Future minimum lease payments under all operating leases are as follows:

<u>For the Fiscal Year Ending January 31,</u>	
2023	\$ 68,127
2024	<u>11,576</u>
	<u>\$ 79,703</u>

**THE ALS ASSOCIATION GEORGIA CHAPTER
NOTES TO FINANCIAL STATEMENTS
JANUARY 31, 2022 AND 2021**

11. RETIREMENT PLAN

The Association has adopted the ALS Association of Georgia 401(k) Plan, which allows employees of the Association who have completed one year of service to participate in the Plan through salary withholdings, and which provides for employer matching contributions equal to 50% of the first 6% of the employee's eligible compensation. Employer matching contributions totaled \$12,377 and \$14,543 for the years ended January 31, 2022 and 2021, respectively.

12. IMPACT OF CORONAVIRUS OUTBREAK

As a result of the impact of COVID-19, during the year ended January 31, 2021, the Association applied for and received a Paycheck Protection Program (PPP) loan of approximately \$105,000 granted by the Small Business Administration (SBA). The Association elected to account for the PPP loan as a conditional contribution in accordance with the guidance provided by FASB ASC Topic 958 Section 605. Under this guidance a conditional contribution includes one or more barriers that must be overcome for the recipient to be entitled to the assets transferred and a right-of-return of the asset if a barrier to entitlement is not met. At January 31, 2021, the Association had not yet received notice of loan forgiveness and therefore believed the barriers had not been overcome at that date; therefore, the PPP funding received was recorded as deferred revenue on the statements of financial position at January 31, 2021. During the year ended January 31, 2022, the Association applied for and received an additional PPP loan totaling approximately \$116,000. During the year ended January 31, 2022, the Association received notice that both loans had been forgiven by the SBA and, thus, has recorded \$221,077 as federal grant revenue in the 2022 fiscal year end.

13. SUBSEQUENT EVENTS

In connection with the preparation of the financial statements, management evaluated subsequent events after the statements of financial position date of January 31, 2022 through July 15, 2022, which was the date the financial statements were available to be issued.