

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Financial Statements

**January 31, 2017 and 2016
(With Independent Auditor's Report Thereon)**

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

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Independent Auditor's Report

The Board of Directors
The ALS Association Florida Chapter, Inc.:

We have audited the accompanying financial statements of The ALS Association Florida Chapter, Inc. (a nonprofit organization), which comprise the statements of financial position as of January 31, 2017 and 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 audit 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 Florida Chapter, Inc. as of January 31, 2017 and 2016, and the changes in its net assets, its functional expenses, and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

MAYER HOFFMAN MCCANN P.C.

June 7, 2017
Clearwater, Florida

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statements of Financial Position

January 31, 2017 and 2016

Assets	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,178,507	1,508,540
Accounts receivable:		
State of Florida grant	150,100	150,100
Rent receivable	2,040	-
Contributions receivable, current portion	43,749	34,927
Prepaid expenses and other assets	<u>9,530</u>	<u>2,678</u>
Total current assets	1,383,926	1,696,245
Contributions receivable, less current portion	20,120	29,288
Property and equipment, net of accumulated depreciation	<u>593,825</u>	<u>653,510</u>
	<u>\$ 1,997,871</u>	<u>2,379,043</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 11,847	17,826
Due to ALS National	83,674	84,310
Accrued expenses:		
Costs under State of Florida grant	133,128	133,128
Personnel costs	51,181	53,329
Other	9,899	22,833
Deferred revenue	-	2,700
Current portion of long-term debt	<u>21,254</u>	<u>31,878</u>
Total current liabilities	310,983	346,004
Long-term debt, excluding current portion	<u>223,005</u>	<u>237,995</u>
Total liabilities	533,988	583,999
Net assets:		
Unrestricted	1,369,280	1,605,590
Temporarily restricted	<u>94,603</u>	<u>189,454</u>
Total net assets	<u>1,463,883</u>	<u>1,795,044</u>
	<u>\$ 1,997,871</u>	<u>2,379,043</u>

See accompanying independent auditor's report and notes to financial statements.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Activities

**Year Ended January 31, 2017
(With Comparative Totals for 2016)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2017</u>	<u>2016</u>
Support and revenue:				
Contributions:				
Walk event	\$ 1,332,514	-	1,332,514	1,350,289
Ride event	162,883	-	162,883	188,654
Bequests	156,667	598	157,265	-
Noncash	49,400	-	49,400	49,430
Other contributions	348,369	22,360	370,729	563,410
State of Florida Binter-Plante Initiative grant	450,000	-	450,000	711,562
Rent	16,320	-	16,320	6,936
Other income	4,997	-	4,997	4,986
Net assets released from restrictions:				
Satisfaction of use restrictions	105,766	(105,766)	-	-
Expiration of time restrictions	12,043	(12,043)	-	-
Total support and revenue	<u>2,638,959</u>	<u>(94,851)</u>	<u>2,544,108</u>	<u>2,875,267</u>
Expenses:				
Program services	2,424,302	-	2,424,302	2,686,094
Supporting services:				
Management and general	146,646	-	146,646	94,565
Fundraising	304,321	-	304,321	327,054
Total expenses	<u>2,875,269</u>	<u>-</u>	<u>2,875,269</u>	<u>3,107,713</u>
Decrease in net assets	(236,310)	(94,851)	(331,161)	(232,446)
Net assets at beginning of year	<u>1,605,590</u>	<u>189,454</u>	<u>1,795,044</u>	<u>2,027,490</u>
Net assets at end of year	<u>\$ 1,369,280</u>	<u>94,603</u>	<u>1,463,883</u>	<u>1,795,044</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Activities

Year Ended January 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions:			
Walk event	\$ 1,350,289	-	1,350,289
Ride event	188,654	-	188,654
Noncash	49,430	-	49,430
Other contributions	457,850	105,560	563,410
State of Florida Binter-Plante Initiative grant	711,562	-	711,562
Rent	6,936	-	6,936
Other income	4,986	-	4,986
Net assets released from restrictions:			
Satisfaction of use restrictions	118,958	(118,958)	-
Expiration of time restrictions	73,216	(73,216)	-
	<u>2,961,881</u>	<u>(86,614)</u>	<u>2,875,267</u>
Total support and revenue			
Expenses:			
Program services	2,686,094	-	2,686,094
Supporting services:			
Management and general	94,565	-	94,565
Fundraising	327,054	-	327,054
	<u>3,107,713</u>	<u>-</u>	<u>3,107,713</u>
Total expenses			
Decrease in net assets	(145,832)	(86,614)	(232,446)
Net assets at beginning of year	<u>1,751,422</u>	<u>276,068</u>	<u>2,027,490</u>
Net assets at end of year	<u>\$ 1,605,590</u>	<u>189,454</u>	<u>1,795,044</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Functional Expenses

**Year Ended January 31, 2017
(With Comparative Totals for 2016)**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses	
	Advocacy	Awareness	Care Services	Research		Management and General	Fundraising		2017	2016
Personnel costs	\$ 36,072	428,522	558,993	-	1,023,587	57,450	210,766	268,216	1,291,803	1,193,666
Clinical services - state grant	-	-	407,499	-	407,499	-	-	-	407,499	667,240
Professional fees	195	36,480	15,030	-	51,705	41,531	6,454	47,985	99,690	74,381
Contractor fees	-	-	-	-	-	-	647	647	647	2,146
Center support	-	-	59,300	-	59,300	-	-	-	59,300	31,500
Assistance to clients	-	-	74,219	-	74,219	-	-	-	74,219	200,913
Bank and credit card fees	3,514	7,027	45,676	-	56,217	7,026	7,027	14,053	70,270	70,855
Conferences and training	789	1,315	21,713	-	23,817	7,767	7,869	15,636	39,453	42,691
Occupancy	1,106	2,213	14,383	-	17,702	2,213	2,213	4,426	22,128	25,991
Insurance	411	821	5,337	-	6,569	821	821	1,642	8,211	8,695
Office expense	303	606	3,937	-	4,846	605	683	1,288	6,134	7,588
Printing and reproduction	-	27,479	529	-	28,008	-	721	721	28,729	19,752
Postage and delivery	495	4,292	7,610	-	12,397	837	1,324	2,161	14,558	18,196
Supplies	2,348	44,934	16,722	-	64,004	1,686	1,687	3,373	67,377	60,785
Technology expense	2,346	4,692	30,495	-	37,533	4,691	5,168	9,859	47,392	42,223
Event rental expense	102	50,800	3,047	-	53,949	205	204	409	54,358	78,775
Research contribution to ALS National	-	-	-	110,432	110,432	-	-	-	110,432	73,641
Revenue share to ALS National	-	23,868	50,389	106,082	180,339	11,271	29,394	40,665	221,004	247,732
Telephone	1,343	2,686	17,460	-	21,489	2,687	2,686	5,373	26,862	25,975
Travel and transportation	5,895	25,060	32,085	-	63,040	283	17,121	17,404	80,444	83,346
Licenses and permits	31	62	405	-	498	63	62	125	623	3,772
In-kind expenses	-	-	49,400	-	49,400	-	-	-	49,400	49,430
Miscellaneous	641	1,281	8,327	-	10,249	1,280	1,281	2,561	12,810	5,703
Total expenses before interest, depreciation and amortization	55,591	662,138	1,422,556	216,514	2,356,799	140,416	296,128	436,544	2,793,343	3,034,996
Interest	605	1,211	7,870	-	9,686	1,211	1,211	2,422	12,108	13,430
Depreciation and amortization	1,047	1,745	55,025	-	57,817	5,019	6,982	12,001	69,818	59,287
Total expenses	\$ 57,243	665,094	1,485,451	216,514	2,424,302	146,646	304,321	450,967	2,875,269	3,107,713

See accompanying independent auditor's report and notes to financial statements.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Functional Expenses

Year Ended January 31, 2016

	Program Services				Total Program Services	Supporting Services			Total Expenses
	Advocacy	Awareness	Care Services	Research		Management and General	Fundraising	Total Supporting Services	
Personnel costs	\$ 8,774	342,125	596,395	-	947,294	33,895	212,477	246,372	1,193,666
Clinical services - state grant	-	-	667,240	-	667,240	-	-	-	667,240
Professional fees	2,333	26,113	25,195	-	53,641	13,542	7,198	20,740	74,381
Contractor fees	-	-	-	-	-	-	2,146	2,146	2,146
Center support	-	-	31,500	-	31,500	-	-	-	31,500
Assistance to clients	-	-	200,913	-	200,913	-	-	-	200,913
Bank and credit card fees	3,543	7,086	46,056	-	56,685	7,084	7,086	14,170	70,855
Conferences and training	-	-	21,346	-	21,346	-	21,345	21,345	42,691
Occupancy	1,300	2,599	16,894	-	20,793	2,599	2,599	5,198	25,991
Insurance	435	870	5,652	-	6,957	868	870	1,738	8,695
Office expense	379	759	4,932	-	6,070	759	759	1,518	7,588
Printing and reproduction	106	16,436	2,788	-	19,330	211	211	422	19,752
Postage and delivery	688	6,478	8,718	-	15,884	1,156	1,156	2,312	18,196
Supplies	1,360	39,379	15,652	-	56,391	2,197	2,197	4,394	60,785
Technology expense	2,111	4,222	27,446	-	33,779	4,222	4,222	8,444	42,223
Event rental expense	638	66,100	9,485	-	76,223	1,276	1,276	2,552	78,775
Research contribution to ALS National	-	-	-	73,641	73,641	-	-	-	73,641
Revenue share to ALS National	-	30,719	47,565	120,645	198,929	16,598	32,205	48,803	247,732
Telephone	1,299	2,598	16,884	-	20,781	2,596	2,598	5,194	25,975
Travel and transportation	2,912	28,643	31,288	-	62,843	13	20,490	20,503	83,346
Licenses and permits	189	377	2,452	-	3,018	377	377	754	3,772
In-kind expenses	-	3,230	46,200	-	49,430	-	-	-	49,430
Miscellaneous	285	570	3,706	-	4,561	572	570	1,142	5,703
Total expenses before interest, depreciation and amortization	26,352	578,304	1,828,307	194,286	2,627,249	87,965	319,782	407,747	3,034,996
Interest	672	1,343	8,730	-	10,745	1,342	1,343	2,685	13,430
Depreciation and amortization	889	1,482	45,729	-	48,100	5,258	5,929	11,187	59,287
Total expenses	\$ 27,913	581,129	1,882,766	194,286	2,686,094	94,565	327,054	421,619	3,107,713

See accompanying independent auditor's report and notes to financial statements.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statements of Cash Flows

Years Ended January 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (331,161)	(232,446)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	69,818	59,287
Contributed securities	(4,876)	-
Increase in accounts receivable	(2,040)	(66,667)
Decrease in contributions receivable	346	93,241
Decrease (increase) in prepaid expenses and other assets	(2,040)	80
Decrease in accounts payable	(5,979)	(3,334)
Increase (decrease) in due to ALS National	(636)	52,974
Decrease in deferred revenue	(2,700)	(1,011)
Decrease in accrued expenses	(15,082)	(263,661)
Net cash used in operating activities	(294,350)	(361,537)
Cash flows from investing activities:		
Property and equipment purchases	(10,069)	-
Net cash used in investing activities	(10,069)	-
Cash flows from financing activities:		
Principal payments on long-term debt	(25,614)	(30,184)
Net cash used in financing activities	(25,614)	(30,184)
Net decrease in cash and cash equivalents	(330,033)	(391,721)
Cash and cash equivalents at beginning of year	1,508,540	1,900,261
Cash and cash equivalents at end of year	\$ <u>1,178,507</u>	<u>1,508,540</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u>12,108</u>	<u>13,430</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements

January 31, 2017 and 2016

(1) **Description of the Organization**

The ALS Association Florida Chapter, Inc. (the Association) is a non-profit organization incorporated in the State of Florida on August 31, 1987. The Association's mission is to empower people with amyotrophic lateral sclerosis (ALS), commonly called Lou Gehrig's disease, and their families to live fuller lives by providing them with compassionate care and support, and to lead the fight to cure and treat ALS through global cutting-edge research.

(2) **Summary of Significant Accounting Policies**

(a) **Financial Accounting Standards**

The Financial Accounting Standards Board (FASB) issued authoritative guidance establishing two levels of U.S. generally accepted accounting principles (GAAP) – authoritative and nonauthoritative – and making the Accounting Standards Codification (ASC) the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the Securities and Exchange Commission. The guidance is incorporated into ASC Topic 105, *Generally Accepted Accounting Principles*.

(b) **Financial Statement Presentation**

The Association's financial statements report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted or permanently restricted. The three classes of net assets are described 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 Association and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions; and
- **Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

(c) **Contributions Receivable**

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(2) **Summary of Significant Accounting Policies - Continued**

(d) **Donated Materials and Services**

Donated materials are reflected in the accompanying financial statements at their estimated fair market value at date of receipt. The Association records donated equipment as in-kind support in the accompanying statement of activities. During the years ended January 31, 2017 and 2016, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Association, but these services do not meet the criteria for recognition as contributed services.

(e) **Accounts Receivable**

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts, if any. The Association provides for losses on accounts receivable using the allowance method. The allowance is based on historical experience and other circumstances, which may affect the ability of funders to meet their obligations. As of January 31, 2017 and 2016, no allowance for doubtful accounts was deemed necessary. Substantially all of the outstanding balance of accounts receivable consisted of amounts due from the State of Florida.

(f) **Property and Equipment**

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets (listed below) using the straight-line basis.

Building and improvements	40 years
Equipment	3-7 years

Purchases of property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Expenditures for property and equipment in excess of \$1,500 and with a useful life of at least one year are capitalized.

(g) **Joint Costs of Activities that Include a Fund-Raising Appeal**

Joint costs of information materials and activities that include fund-raising appeals are allocated between fundraising and program services. During the fiscal years ended January 31, 2017 and 2016, the Association conducted activities that included requests for contributions, as well as program services and management and general functions. Those activities include direct mail campaigns and special events. For the years ended January 31, 2017 and 2016, \$2,037 and \$3,867, respectively, was allocated to the Association's Awareness program for joint costs related to printing and reproduction, professional fees, postage and delivery, and supplies.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(h) Income Taxes

The Amyotrophic Lateral Sclerosis Association and its affiliated chapters, including the Association, have been recognized collectively by the Internal Revenue Service as tax-exempt organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986. Income earned in furtherance of the Association's tax-exempt purpose is exempt from Federal and State income taxes. The Association, through the collective exemption described previously, is treated as a publicly supported organization, and not as a private foundation. The Association has adopted the provisions of ASC Topic 740, *Income Taxes*, relating to accounting for uncertainty in income taxes and does not believe it has any material income tax exposure relating to uncertain tax positions. The Association's income tax filings for periods after the fiscal year ended January 31, 2013 remain subject to examination.

Beginning with the year ended January 31, 2009, the Association received rent from a tenant, which is considered unrelated taxable business income. For the year ended January 31, 2017, this activity generated income tax expense of \$848. For the year ended January 31, 2016, this activity did not generate an income tax liability.

(i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures 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.

(j) Functional Allocation of Expenses

The costs of providing the Association's various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs, such as occupancy and insurance have been allocated among programs and supporting services benefitted.

(k) Fair Value

The carrying amounts reflected in the statements of financial position for cash and cash equivalents, receivables, and accounts payable approximate their fair value. The carrying amount of long-term debt approximates its fair value due to its market interest rate.

(l) Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(1) Reclassifications - Continued

For the year ended January 31, 2017, management modified the allocation of certain personnel costs in order to more accurately reflect the related personnel time and effort. The revised allocation is based on statistics obtained from the walk event report generated by the Organization's donor management system. Previously, the allocation was based on informal information obtained by management from staff.

As a result, functional expenses for the year ended January 31, 2016 were restated as follows:

	<u>As Previously Reported</u>	<u>Reclassifi- cation</u>	<u>As Restated</u>
Program services	\$ 2,589,898	96,196	2,686,094
Supporting services:			
Management and general	111,909	(17,344)	94,565
Fundraising	<u>405,906</u>	<u>(78,852)</u>	<u>327,054</u>
Total expenses	<u>\$ 3,107,713</u>	<u>-</u>	<u>3,107,713</u>

(3) Contributions Receivable

Contributions receivable at January 31, 2017 and 2016 consists of the following:

	<u>2017</u>	<u>2016</u>
Sponsorships	\$ 38,499	27,400
Charitable remainder trust	10,315	9,717
Pledges	<u>15,250</u>	<u>27,527</u>
Total contributions receivable	64,064	64,644
Less unamortized discount	<u>(195)</u>	<u>(429)</u>
Net contributions receivable	<u>\$ 63,869</u>	<u>64,215</u>
Amounts due in:		
Less than one year	\$ 43,749	34,927
One to five years	10,000	20,000
More than five years	<u>10,315</u>	<u>9,717</u>
	<u>\$ 64,064</u>	<u>64,644</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(3) Contributions Receivable - Continued

The fair value of contributions receivable at January 31, 2017 is estimated by discounting future cash flows using a discount rate of approximately 1%, the risk-free rate of return of U.S. Treasury Securities with similar maturities at the date of donation.

(4) Property and Equipment

Property and equipment at January 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 225,000	225,000
Building	437,147	437,147
Building improvements	48,462	41,122
Medical equipment	409,196	409,196
Office furniture and equipment	19,442	16,713
	<u>1,139,247</u>	<u>1,129,178</u>
Less accumulated depreciation	<u>545,422</u>	<u>475,668</u>
	<u>\$ 593,825</u>	<u>653,510</u>

Depreciation expense was \$69,754 and \$59,223 in 2017 and 2016, respectively.

(5) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for periods after January 31, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Medical equipment	\$ 11,663	66,667
Contributions receivable	25,370	36,814
Assistive technology program	24,712	53,010
Care services	32,858	32,963
	<u>\$ 94,603</u>	<u>189,454</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(6) Long-Term Debt

As of January 31, 2017 and 2016, long-term debt consists of the following:

	2017	2016
Note payable to First Citrus Bank, payable in 60 monthly installments of \$3,450, including interest at 6.25%, followed by 143 monthly installments, including interest at 2.75% above the U.S. Treasury Securities rate, adjusted every five years (4.5% at January 31, 2017), with a final payment of the remaining principal and accrued interest due in June 2026, secured by land and building.	\$ 244,259	269,873
Less current portion	21,254	31,878
Long-term debt, excluding current portion	\$ 223,005	237,995

Future maturities of long-term debt at January 31, 2017 are as follows:

Year Ending January 31,		
2018	\$	21,254
2019		22,244
2020		23,281
2021		24,343
2022		25,499
Thereafter		127,638
	\$	244,259

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(7) Revenue Share to ALS National Office

On a quarterly basis, the Association remits all restricted research funds and a portion of other collected revenues to the National Office of the Amyotrophic Lateral Sclerosis Association (National). The revenue shares to National for the fiscal years ended January 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Research contribution to ALS National	\$ 110,432	73,641
Revenue share to ALS National	<u>221,004</u>	<u>247,732</u>
	<u>\$ 331,436</u>	<u>321,373</u>

(8) Noncash Contributions

Noncash contributions for the years ended January 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Medical equipment	\$ 49,400	46,200
Other supplies	<u>-</u>	<u>3,230</u>
	<u>\$ 49,400</u>	<u>49,430</u>

Beginning in fiscal year 2007, the Association implemented a policy to record donated medical equipment at fair value at the date of the donation. The policy also implies a time restriction that expires over the useful life of the asset. Beginning in fiscal year 2016, the Association revised the policy to increase the capitalization threshold of donated medical equipment from \$500 to \$1,500. For the year ended January 31, 2017 and 2016, no donated medical equipment met the capitalization threshold.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(9) **Equipment Leases**

In December 2014, the Association entered into leases for certain copier, printer and telephone equipment, including related service costs. Rent expense for all operating leases was \$24,175 and \$24,622 for the years ended January 31, 2017 and 2016, respectively.

Future minimum lease payments under non-cancellable operating leases as of January 31, 2017 are as follows:

<u>Year Ending January 31,</u>	
2018	\$ 17,952
2019	17,952
2020	9,839
2021	<u>337</u>
	<u>\$ 46,080</u>

(10) **Employee Benefit Plan**

The Association sponsors a defined contribution salary deferral plan covering substantially all employees. The plan does not provide for employer matching contributions.

(11) **Business and Credit Concentrations**

The Association works with its ALS Certified Centers of Excellence and recognized treatment centers to increase clinic visits and implement an awareness program. In 2017 and 2016, three clinics accounted for 37% of total payments to vendors, each individually accounting for greater than 10% of the total with the largest clinic accounting for 13%.

The Association maintains several depository accounts with what management believes to be high credit quality financial institutions. The total of these deposit balances exceeded federal deposit insurance limits by approximately \$320,000 as of January 31, 2017.

(12) **Subsequent Events**

Management has evaluated subsequent events through June 7, 2017, the date the financial statements were available for issuance.