

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Financial Statements

January 31, 2018 and 2017
(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, 2018 and 2017, 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, 2018 and 2017, 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.

August 15, 2018
Clearwater, Florida

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statements of Financial Position

January 31, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and cash equivalents	\$ 1,030,649	1,178,507
Accounts receivable:		
State of Florida grant	166,766	150,100
Rent receivable	-	2,040
Contributions receivable, current portion	40,596	43,749
Prepaid expenses and other assets	9,046	9,530
	1,247,057	1,383,926
 Total current assets	 1,247,057	 1,383,926
Contributions receivable, less current portion	16,673	20,120
Property and equipment, net of accumulated depreciation	570,079	593,825
	\$ 1,833,809	1,997,871
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 29,050	11,847
Due to ALS National	130,067	83,674
Accrued expenses:		
Costs under State of Florida grant	152,295	133,128
Personnel costs	12,200	51,181
Other	10,396	9,899
Current portion of long-term debt	22,244	21,254
	356,252	310,983
 Total current liabilities	 356,252	 310,983
Long-term debt, excluding current portion	200,748	223,005
	557,000	533,988
 Total liabilities	 557,000	 533,988
Net assets:		
Unrestricted	1,178,110	1,369,280
Temporarily restricted	98,699	94,603
	1,276,809	1,463,883
 Total net assets	 1,276,809	 1,463,883
	\$ 1,833,809	1,997,871

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Activities

**Year Ended January 31, 2018
(With Comparative Totals for 2017)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2018</u>	<u>2017</u>
Support and revenue:				
Contributions:				
Walk event	\$ 1,249,147	-	1,249,147	1,332,514
Ride event	186,230	-	186,230	162,883
Bequests	52,834	1,423	54,257	157,265
Noncash	67,800	-	67,800	49,400
Other contributions	489,556	71,970	561,526	370,729
State of Florida Binter-Plante Initiative grant	466,666	-	466,666	450,000
Rent	22,440	-	22,440	16,320
Other income	4,008	-	4,008	4,997
Net assets released from restrictions:				
Satisfaction of use restrictions	64,047	(64,047)	-	-
Expiration of time restrictions	5,250	(5,250)	-	-
Total support and revenue	<u>2,607,978</u>	<u>4,096</u>	<u>2,612,074</u>	<u>2,544,108</u>
Expenses:				
Program services	2,352,654	-	2,352,654	2,424,302
Supporting services:				
Management and general	139,701	-	139,701	146,646
Fundraising	306,793	-	306,793	304,321
Total expenses	<u>2,799,148</u>	<u>-</u>	<u>2,799,148</u>	<u>2,875,269</u>
Increase (decrease) in net assets	(191,170)	4,096	(187,074)	(331,161)
Net assets at beginning of year	<u>1,369,280</u>	<u>94,603</u>	<u>1,463,883</u>	<u>1,795,044</u>
Net assets at end of year	<u>\$ 1,178,110</u>	<u>98,699</u>	<u>1,276,809</u>	<u>1,463,883</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Activities

Year Ended January 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions:			
Walk event	\$ 1,332,514	-	1,332,514
Ride event	162,883	-	162,883
Bequests	156,667	598	157,265
Noncash	49,400	-	49,400
Other contributions	348,369	22,360	370,729
State of Florida Binter-Plante Initiative grant	450,000	-	450,000
Rent	16,320	-	16,320
Other income	4,997	-	4,997
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>
Expenses:			
Program services	2,424,302	-	2,424,302
Supporting services:			
Management and general	146,646	-	146,646
Fundraising	304,321	-	304,321
Total expenses	<u>2,875,269</u>	<u>-</u>	<u>2,875,269</u>
Decrease in net assets	(236,310)	(94,851)	(331,161)
Net assets at beginning of year	<u>1,605,590</u>	<u>189,454</u>	<u>1,795,044</u>
Net assets at end of year	<u>\$ 1,369,280</u>	<u>94,603</u>	<u>1,463,883</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Functional Expenses

**Year Ended January 31, 2018
(With Comparative Totals for 2017)**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses	
	Advocacy	Awareness	Care Services	Research		Management and General	Fundraising		2018	2017
Personnel costs	\$ 28,819	375,976	486,112	-	890,907	58,590	173,044	231,634	1,122,541	1,291,803
Clinical services - state grant	-	-	426,665	-	426,665	-	-	-	426,665	407,499
Professional fees	215	29,070	11,532	-	40,817	37,116	12,597	49,713	90,530	99,690
Contractor fees	-	-	-	-	-	-	10,122	10,122	10,122	647
Center support	-	-	64,300	-	64,300	-	-	-	64,300	59,300
Assistance to clients	-	-	71,732	-	71,732	-	-	-	71,732	74,219
Bank and credit card fees	3,409	6,818	44,318	-	54,545	6,819	6,818	13,637	68,182	70,270
Conferences and training	2,367	3,944	65,128	-	71,439	3,943	42,957	46,900	118,339	39,453
Occupancy	1,060	2,119	13,775	-	16,954	2,120	2,119	4,239	21,193	22,128
Insurance	422	844	5,483	-	6,749	842	844	1,686	8,435	8,211
Office expense	328	656	4,261	-	5,245	654	656	1,310	6,555	6,134
Printing and reproduction	113	12,141	837	-	13,091	18	587	605	13,696	28,729
Postage and delivery	315	6,202	5,478	-	11,995	631	815	1,446	13,441	14,558
Supplies	819	44,787	12,733	-	58,339	1,638	1,638	3,276	61,615	67,377
Technology expense	2,004	4,009	26,058	-	32,071	4,009	4,009	8,018	40,089	47,392
Event rental expense	98	57,677	1,771	-	59,546	195	196	391	59,937	54,358
Research contribution to ALS National	-	-	-	140,111	140,111	-	-	-	140,111	110,432
Revenue share to ALS National	-	16,664	51,242	105,816	173,722	11,040	23,538	34,578	208,300	221,004
Telephone	1,234	2,468	16,039	-	19,741	2,466	2,468	4,934	24,675	26,862
Travel and transportation	5,330	19,609	18,570	-	43,509	15	14,053	14,068	57,577	80,444
Licenses and permits	23	46	296	-	365	44	46	90	455	623
In-kind expenses	-	-	67,800	-	67,800	-	-	-	67,800	49,400
Miscellaneous	3,318	6,635	43,128	-	53,081	6,636	6,635	13,271	66,352	12,810
Total expenses before interest, depreciation and amortization	49,874	589,665	1,437,258	245,927	2,322,724	136,776	303,142	439,918	2,762,642	2,793,343
Interest	534	1,069	6,947	-	8,550	1,068	1,069	2,137	10,687	12,108
Depreciation and amortization	387	645	20,348	-	21,380	1,857	2,582	4,439	25,819	69,818
Total expenses	\$ 50,795	591,379	1,464,553	245,927	2,352,654	139,701	306,793	446,494	2,799,148	2,875,269

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, 2017

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

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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (187,074)	(331,161)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation and amortization	25,819	69,818
Contributed securities	-	(4,876)
Increase in accounts receivable	(14,626)	(2,040)
Decrease in contributions receivable	6,600	346
Decrease (increase) in prepaid expenses and other assets	420	(2,040)
Increase (decrease) in accounts payable	17,203	(5,979)
Increase (decrease) in due to ALS National	46,393	(636)
Decrease in deferred revenue	-	(2,700)
Decrease in accrued expenses	(19,317)	(15,082)
	<u>(124,582)</u>	<u>(294,350)</u>
Net cash used in operating activities	(124,582)	(294,350)
Cash flows from investing activities:		
Property and equipment purchases	(2,009)	(10,069)
	<u>(2,009)</u>	<u>(10,069)</u>
Net cash used in investing activities	(2,009)	(10,069)
Cash flows from financing activities:		
Principal payments on long-term debt	(21,267)	(25,614)
	<u>(21,267)</u>	<u>(25,614)</u>
Net cash used in financing activities	(21,267)	(25,614)
Net decrease in cash and cash equivalents	(147,858)	(330,033)
Cash and cash equivalents at beginning of year	<u>1,178,507</u>	<u>1,508,540</u>
Cash and cash equivalents at end of year	\$ <u><u>1,030,649</u></u>	<u><u>1,178,507</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u><u>10,687</u></u>	<u><u>12,108</u></u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements

January 31, 2018 and 2017

(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;
- **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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 and 2017, 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, 2018 and 2017, \$3,127 and \$2,037, 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, 2014 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 years ended January 31, 2018 and 2017, this activity generated income tax expense of \$0 and \$848, respectively.

(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.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(3) Contributions Receivable

Contributions receivable at January 31, 2018 and 2017 consists of the following:

	<u>2018</u>	<u>2017</u>
Sponsorships	\$ 35,596	38,499
Charitable remainder trust	11,738	10,315
Pledges	<u>10,000</u>	<u>15,250</u>
Total contributions receivable	57,334	64,064
Less unamortized discount	<u>(65)</u>	<u>(195)</u>
Net contributions receivable	<u>\$ 57,269</u>	<u>63,869</u>
Amounts due in:		
Less than one year	\$ 40,596	43,749
One to five years	5,000	10,000
More than five years	<u>11,738</u>	<u>10,315</u>
	<u>\$ 57,334</u>	<u>64,064</u>

The fair value of contributions receivable at January 31, 2018 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, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 225,000	225,000
Building	437,147	437,147
Building improvements	48,462	48,462
Medical equipment	409,196	409,196
Office furniture and equipment	<u>21,452</u>	<u>19,442</u>
	1,141,257	1,139,247
Less accumulated depreciation	<u>571,178</u>	<u>545,422</u>
	<u>\$ 570,079</u>	<u>593,825</u>

Depreciation expense was \$25,755 and \$69,754 in 2018 and 2017, respectively.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(5) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for periods after January 31, 2018 and 2017 as follows:

	2018	2017
Medical equipment	\$ 11,663	11,663
Contributions receivable	21,543	25,370
Assistive technology program	14,629	24,712
Care services	50,864	32,858
	\$ 98,699	94,603

(6) Long-Term Debt

As of January 31, 2018 and 2017, long-term debt consists of the following:

	2018	2017
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, 2018), with a final payment of the remaining principal and accrued interest due in June 2026, secured by land and building.	\$ 222,992	244,259
Less current portion	22,244	21,254
Long-term debt, excluding current portion	\$ 200,748	223,005

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(6) **Long-Term Debt - Continued**

Future maturities of long-term debt at January 31, 2018 are as follows:

<u>Year Ending January 31,</u>	
2019	\$ 22,244
2020	23,281
2021	24,343
2022	25,499
2023	26,688
Thereafter	<u>100,937</u>
	<u>\$ 222,992</u>

(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, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Research contribution to ALS National	\$ 140,111	110,432
Revenue share to ALS National	<u>208,300</u>	<u>221,004</u>
	<u>\$ 348,411</u>	<u>331,436</u>

(8) **Noncash Contributions**

Noncash medical equipment contributions for the years ended January 31, 2018 and 2017 were \$67,800 and \$49,400, respectively.

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 years ended January 31, 2018 and 2017, 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 \$24,158 and \$24,175 for the years ended January 31, 2018 and 2017, respectively.

Future minimum lease payments under non-cancellable operating leases as of January 31, 2018 are as follows:

<u>Year Ending January 31,</u>	
2019	\$ 17,952
2020	9,839
2021	<u>337</u>
	<u>\$ 28,128</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 2018 and 2017, three clinics accounted for 36% and 37% of total payments to vendors, respectively, 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 \$227,000 as of January 31, 2018.

(12) Lightning Foundation Grant

The Association received a \$5,000 contribution from the Lightning Foundation during the year ended January 31, 2018 that was restricted for care services. The contribution provided by the Lightning Foundation was used to fund respite grants for ten individuals that receive care services from the Association.

(13) Subsequent Events

Management has evaluated subsequent events through August 15, 2018, the date the financial statements were available for issuance.