

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Financial Statements  
and  
Supplementary Financial Information**

**January 31, 2016 and 2015  
(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, 2016 and 2015, 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, 2016 and 2015, 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.

## **Other Matters**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, is presented for purposes of additional analysis as required by Chapter 10.650, *Rules of the Auditor General*, 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2016, on our consideration of The ALS Association Florida Chapter, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The ALS Association Florida Chapter, Inc.'s internal control over financial reporting and compliance.

MAYER HOFFMAN MCCANN P.C.

May 19, 2016  
Clearwater, Florida

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Statements of Financial Position**

**January 31, 2016 and 2015**

<b>Assets</b>	<b>2016</b>	<b>2015</b>
Current assets:		
Cash and cash equivalents	\$ 1,508,540	1,900,261
Accounts receivable:		
State of Florida grant	150,100	83,433
Contributions receivable, current portion	34,927	106,742
Prepaid expenses and other assets	<u>2,678</u>	<u>2,822</u>
Total current assets	1,696,245	2,093,258
Contributions receivable, less current portion	29,288	50,714
Property and equipment, net of accumulated depreciation	<u>653,510</u>	<u>712,733</u>
	<u>\$ 2,379,043</u>	<u>2,856,705</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 17,826	21,160
Due to ALS National	84,310	31,336
Accrued expenses:		
State of Florida grant	133,128	419,098
Personnel costs	53,329	42,882
Other	22,833	10,971
Deferred revenue	2,700	3,711
Current portion of long-term debt	<u>31,878</u>	<u>30,375</u>
Total current liabilities	346,004	559,533
Long-term debt, excluding current portion	<u>237,995</u>	<u>269,682</u>
Total liabilities	583,999	829,215
Net assets:		
Unrestricted	1,605,590	1,751,422
Temporarily restricted	<u>189,454</u>	<u>276,068</u>
Total net assets	<u>1,795,044</u>	<u>2,027,490</u>
	<u>\$ 2,379,043</u>	<u>2,856,705</u>

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Statement of Activities**

**Year Ended January 31, 2016  
(With Comparative Totals for 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>2016</u>	<u>2015</u>
Support and revenue:				
Contributions:				
Walk event	\$ 1,350,289	-	1,350,289	1,377,600
Ride event	188,654	-	188,654	244,412
Bequests	-	-	-	106,123
Noncash	49,430	-	49,430	61,587
Other contributions	457,850	105,560	563,410	1,246,510
State of Florida Binter-Plante Initiative grant	711,562	-	711,562	1,026,874
ALS National revenue share grant	-	-	-	333,410
Rent	6,936	-	6,936	41,616
Other income	4,986	-	4,986	10,406
Net assets released from restrictions:				
Satisfaction of use restrictions	118,958	(118,958)	-	-
Expiration of time restrictions	73,216	(73,216)	-	-
Total support and revenue	<u>2,961,881</u>	<u>(86,614)</u>	<u>2,875,267</u>	<u>4,448,538</u>
Expenses:				
Program services	2,589,898	-	2,589,898	2,493,860
Supporting services:				
Management and general	111,909	-	111,909	126,116
Fundraising	405,906	-	405,906	438,221
Total expenses	<u>3,107,713</u>	<u>-</u>	<u>3,107,713</u>	<u>3,058,197</u>
Increase (decrease) in net assets	(145,832)	(86,614)	(232,446)	1,390,341
Net assets at beginning of year	<u>1,751,422</u>	<u>276,068</u>	<u>2,027,490</u>	<u>637,149</u>
Net assets at end of year	<u>\$ 1,605,590</u>	<u>189,454</u>	<u>1,795,044</u>	<u>2,027,490</u>

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Statement of Activities**

**Year Ended January 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Contributions:			
Walk event	\$ 1,377,600	-	1,377,600
Ride event	244,412	-	244,412
Bequests	106,123	-	106,123
Noncash	-	61,587	61,587
Other contributions	1,095,320	151,190	1,246,510
State of Florida Binter-Plante Initiative grant	1,026,874	-	1,026,874
ALS National revenue share grant	333,410	-	333,410
Rent	41,616	-	41,616
Other income	10,406	-	10,406
Net assets released from restrictions:			
Satisfaction of use restrictions	112,400	(112,400)	-
Expiration of time restrictions	20,217	(20,217)	-
	<u>4,368,378</u>	<u>80,160</u>	<u>4,448,538</u>
Total support and revenue			
Expenses:			
Program services	2,493,860	-	2,493,860
Supporting services:			
Management and general	126,116	-	126,116
Fundraising	438,221	-	438,221
	<u>3,058,197</u>	<u>-</u>	<u>3,058,197</u>
Total expenses			
Increase in net assets	1,310,181	80,160	1,390,341
Net assets at beginning of year	<u>441,241</u>	<u>195,908</u>	<u>637,149</u>
Net assets at end of year	<u>\$ 1,751,422</u>	<u>276,068</u>	<u>2,027,490</u>

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Statement of Functional Expenses**

**Year Ended January 31, 2016  
(With Comparative Totals for 2015)**

	Program Services					Supporting Services			Total Expenses	
	Advocacy	Awareness	Care Services	Research	Total Program Services	Management and General	Fundraising	Total Supporting Services	2016	2015
Personnel costs	\$ 8,624	253,555	585,932	-	848,111	33,312	291,329	324,641	1,172,752	902,192
Clinical services - state grant	-	-	667,240	-	667,240	-	-	-	667,240	923,086
Professional fees	3,599	28,646	37,857	-	70,102	17,995	7,198	25,193	95,295	98,503
Contractor fees	-	-	-	-	-	-	2,146	2,146	2,146	5,402
Center support	-	-	31,500	-	31,500	-	-	-	31,500	52,750
Assistance to clients	-	-	200,913	-	200,913	-	-	-	200,913	62,438
Bank and credit card fees	3,543	7,086	46,056	-	56,685	7,084	7,086	14,170	70,855	75,168
Conferences and training	-	-	21,346	-	21,346	-	21,345	21,345	42,691	37,656
Occupancy	1,300	2,599	16,894	-	20,793	2,599	2,599	5,198	25,991	23,600
Insurance	435	870	5,652	-	6,957	868	870	1,738	8,695	9,070
Office expense	379	759	4,932	-	6,070	759	759	1,518	7,588	11,837
Printing and reproduction	106	16,436	2,788	-	19,330	211	211	422	19,752	36,007
Postage and delivery	688	6,478	8,718	-	15,884	1,156	1,156	2,312	18,196	25,574
Supplies	1,360	39,379	15,652	-	56,391	2,197	2,197	4,394	60,785	57,966
Technology expense	2,111	4,222	27,446	-	33,779	4,222	4,222	8,444	42,223	40,009
Event rental expense	638	66,100	9,485	-	76,223	1,276	1,276	2,552	78,775	43,264
Research contribution to ALS National	-	-	-	73,641	73,641	-	-	-	73,641	142,829
Revenue share to ALS National	-	30,719	47,565	120,645	198,929	16,598	32,205	48,803	247,732	333,410
Telephone	1,299	2,598	16,884	-	20,781	2,596	2,598	5,194	25,975	21,384
Travel and transportation	2,912	28,643	31,288	-	62,843	13	20,490	20,503	83,346	74,150
Licenses and permits	189	377	2,452	-	3,018	377	377	754	3,772	4,960
In-kind expenses	-	3,230	46,200	-	49,430	-	-	-	49,430	-
Miscellaneous	285	570	3,706	-	4,561	572	570	1,142	5,703	7,201
<b>Total expenses before interest, depreciation and amortization</b>	<b>27,468</b>	<b>492,267</b>	<b>1,830,506</b>	<b>194,286</b>	<b>2,544,527</b>	<b>91,835</b>	<b>398,634</b>	<b>490,469</b>	<b>3,034,996</b>	<b>2,988,456</b>
Interest	672	1,343	8,730	-	10,745	1,342	1,343	2,685	13,430	14,796
Depreciation and amortization	889	1,482	32,255	-	34,626	18,732	5,929	24,661	59,287	54,945
<b>Total expenses</b>	<b>\$ 29,029</b>	<b>495,092</b>	<b>1,871,491</b>	<b>194,286</b>	<b>2,589,898</b>	<b>111,909</b>	<b>405,906</b>	<b>517,815</b>	<b>3,107,713</b>	<b>3,058,197</b>

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, 2015**

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Advocacy</u>	<u>Awareness</u>	<u>Care Services</u>	<u>Research</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Personnel costs	\$ 2,586	184,437	440,167	-	627,190	30,962	244,040	275,002	902,192
Clinical services - state grant	-	-	923,086	-	923,086	-	-	-	923,086
Professional fees	3,376	9,045	55,165	-	67,586	16,878	14,039	30,917	98,503
Contractor fees	-	-	-	-	-	-	5,402	5,402	5,402
Center support	-	-	52,750	-	52,750	-	-	-	52,750
Assistance to clients	-	-	62,438	-	62,438	-	-	-	62,438
Bank and credit card fees	3,758	7,517	48,859	-	60,134	7,517	7,517	15,034	75,168
Conferences and training	-	-	18,828	-	18,828	-	18,828	18,828	37,656
Occupancy	1,180	2,360	15,340	-	18,880	2,360	2,360	4,720	23,600
Insurance	454	907	5,896	-	7,257	906	907	1,813	9,070
Office expense	592	1,184	7,694	-	9,470	1,183	1,184	2,367	11,837
Printing and reproduction	-	33,777	-	-	33,777	-	2,230	2,230	36,007
Postage and delivery	59	7,659	1,558	-	9,276	10,983	5,315	16,298	25,574
Supplies	-	24,844	1,453	-	26,297	-	31,669	31,669	57,966
Technology expense	2,000	4,001	26,006	-	32,007	4,001	4,001	8,002	40,009
Event rental expense	-	28,957	125	-	29,082	-	14,182	14,182	43,264
Research contribution to ALS National	-	-	-	142,829	142,829	-	-	-	142,829
Revenue share to ALS National	-	107,691	64,682	91,354	263,727	24,339	45,344	69,683	333,410
Telephone	1,008	2,015	13,100	-	16,123	3,123	2,138	5,261	21,384
Travel and transportation	2,932	10,086	25,069	-	38,087	5,923	30,140	36,063	74,150
Licenses and permits	187	373	2,425	-	2,985	745	1,230	1,975	4,960
Miscellaneous	360	720	4,681	-	5,761	720	720	1,440	7,201
<b>Total expenses before interest, depreciation and amortization</b>	<b>18,492</b>	<b>425,573</b>	<b>1,769,322</b>	<b>234,183</b>	<b>2,447,570</b>	<b>109,640</b>	<b>431,246</b>	<b>540,886</b>	<b>2,988,456</b>
Interest	740	1,480	9,617	-	11,837	1,479	1,480	2,959	14,796
Depreciation and amortization	824	1,374	32,255	-	34,453	14,997	5,495	20,492	54,945
<b>Total expenses</b>	<b>\$ 20,056</b>	<b>428,427</b>	<b>1,811,194</b>	<b>234,183</b>	<b>2,493,860</b>	<b>126,116</b>	<b>438,221</b>	<b>564,337</b>	<b>3,058,197</b>

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, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (232,446)	1,390,341
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	59,287	54,945
Noncash contributions	-	(61,587)
Decrease (increase) in accounts receivable	(66,667)	353,132
Decrease (increase) in contributions receivable	93,241	(72,794)
Decrease in prepaid expenses and other assets	80	613
Decrease in accounts payable	(3,334)	(6,255)
Increase (decrease) in due to ALS National	52,974	(15,475)
Decrease in deferred revenue	(1,011)	(2,100)
Increase (decrease) in accrued expenses	(263,661)	24,253
	<u>(361,537)</u>	<u>1,665,073</u>
Net cash provided (used in) by operating activities		
	(361,537)	1,665,073
Cash flows from financing activities:		
Principal payments on long-term debt	<u>(30,184)</u>	<u>(28,818)</u>
Net cash used in financing activities	<u>(30,184)</u>	<u>(28,818)</u>
Net increase (decrease) in cash and cash equivalents	(391,721)	1,636,255
Cash and cash equivalents at beginning of year	<u>1,900,261</u>	<u>264,006</u>
Cash and cash equivalents at end of year	<u>\$ 1,508,540</u>	<u>1,900,261</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 13,430</u>	<u>14,796</u>

# THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

## Notes to Financial Statements

January 31, 2016 and 2015

### (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, 2016 and 2015, 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, 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, 2016 and 2015, 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, 2016 and 2015, \$3,867 and \$10,651, respectively, was allocated to Awareness 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 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, 2012 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, 2016 and 2015, this activity generated an income tax liability of \$0 and \$1,175, 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.

**(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 2015 financial statements have been reclassified to conform to the 2016 presentation.

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Notes to Financial Statements - Continued**

**(3) Contributions Receivable**

Contributions receivable at January 31, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Sponsorships	\$ 27,400	45,126
Bequests and trust	9,717	34,567
Pledges	27,527	55,750
ALS National - Ice Bucket Challenge	-	27,299
	<hr/>	<hr/>
Total contributions receivable	64,644	162,742
	<hr/>	<hr/>
Less unamortized discount	(429)	(5,286)
	<hr/>	<hr/>
Net contributions receivable	\$ <u>64,215</u>	<u>157,456</u>
	<hr/>	<hr/>
Amounts due in:		
Less than one year	\$ 34,927	106,742
One to five years	20,000	44,500
More than five years	9,717	11,500
	<hr/>	<hr/>
	\$ <u>64,644</u>	<u>162,742</u>
	<hr/>	<hr/>

The fair value of contributions receivable at January 31, 2016 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, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ 225,000	225,000
Building	437,147	437,147
Building improvements	41,122	41,122
Medical equipment	409,196	410,089
Office furniture and equipment	16,713	80,916
	<hr/>	<hr/>
	1,129,178	1,194,274
Less accumulated depreciation	475,668	481,541
	<hr/>	<hr/>
	\$ <u>653,510</u>	<u>712,733</u>
	<hr/>	<hr/>

Depreciation expense was \$59,223 and \$54,881 in 2016 and 2015, 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, 2016 and 2015 as follows:

	<u>2016</u>	<u>2015</u>
Medical equipment	\$ 66,667	111,771
Contributions receivable	36,814	85,031
Assistive technology program	53,010	23,321
Care services	<u>32,963</u>	<u>55,945</u>
	<u>\$ 189,454</u>	<u>276,068</u>

**(6) Long-Term Debt**

As of January 31, 2016 and 2015, long-term debt consists of the following:

	<u>2016</u>	<u>2015</u>
Note payable to First Citrus Bank, payable in 60 monthly installments of \$3,450 including interest at 6.25%, followed by 143 monthly installments of \$3,635, including interest at 2.75% above the U.S. Treasury Securities rate adjusted every 5 years (4.625% at January 31, 2016), with a final payment of remaining principal and accrued interest on June 26, 2026, secured by land and building.	\$ 269,873	300,057
Less current portion	<u>31,878</u>	<u>30,375</u>
	<u>\$ 237,995</u>	<u>269,682</u>

Future maturities of long-term debt at January 31, 2016 are as follows:

<u>Year Ending January 31,</u>	
2017	\$ 31,878
2018	33,298
2019	34,871
2020	36,518
2021	38,243
Thereafter	<u>95,065</u>
	<u>\$ 269,873</u>

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, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Research contribution to ALS National	\$ 73,641	142,829
Revenue share to ALS National	<u>247,732</u>	<u>333,410</u>
	<u>\$ 321,373</u>	<u>476,239</u>

(8) **Noncash Contributions**

Noncash contributions for the years ended January 31, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Medical equipment	\$ 46,200	61,587
Other supplies	<u>3,230</u>	<u>-</u>
	<u>\$ 49,430</u>	<u>61,587</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, 2016 no medical equipment met the capitalization threshold. For the year ended January 31, 2015, medical equipment valued at \$61,587 was capitalized.

(9) **Equipment Lease**

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 \$24,622 and \$13,581 for the years ended January 31, 2016 and 2015, respectively.



THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(9) **Equipment Lease - Continued**

Future minimum lease payments under non-cancellable operating leases as of January 31, 2016 are as follows:

<u>Year Ending January 31,</u>	
2017	\$ 17,952
2018	17,952
2019	17,952
2020	9,839
2021	<u>337</u>
	\$ <u><u>64,032</u></u>

(10) **Employee Benefit Plan**

The Association has 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 various research institutions to increase clinic visits and implement an awareness program. In 2016, three research institutions accounted for 37% of total purchases, each individually accounting for greater than 10% of the total with the largest research institution accounting for 13%. In 2015, two research institutions accounted for 32% of total purchases, each individually accounting for greater than 10% of the total with the largest research institution accounting for 17%.

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 \$841,000 as of January 31, 2016.

(12) **Subsequent Events**

Management has evaluated subsequent events through May 19, 2016, the date the financial statements were available for issuance.

**SUPPLEMENTARY FINANCIAL INFORMATION**

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Schedule of Expenditures of State Financial Assistance**

**Year Ended January 31, 2016**

<u>Grantor/Program Title</u>	<u>Contract/ Grant Number</u>	<u>State CSFA Number</u>	<u>Current Year Expenditures</u>
<i>Department of Health</i>			
ALS Association Florida Chapter	COP5C	64.127	\$ 449,062
	COP6C	64.127	<u>262,500</u>
Subtotal - Department of Health			<u>711,562</u>
Total expenditures of state financial assistance			\$ <u><u>711,562</u></u>

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Notes to Schedule of Expenditures of State Financial Assistance**

**Year Ended January 31, 2016**

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance (the Schedule) includes the activity of all state projects of The ALS Association Florida Chapter, Inc. for the year ended January 31, 2016. All state projects passed through other government agencies are included in the accompanying schedule.

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

The accompanying Schedule of Expenditures of State Financial Assistance is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Chapter 10.650, *Rules of the Auditor General*.

**(3) Subrecipients**

The Association did not provide state financial assistance to any subrecipients during the year ended January 31, 2016.

**INTERNAL CONTROL AND COMPLIANCE**



**Independent Auditor’s Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The ALS Association Florida Chapter, Inc. (the Association), a nonprofit organization, which comprise the statement of financial position as of January 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 19, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Association’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Association’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MAYER HOFFMAN MCCANN P.C.

May 19, 2016  
Clearwater, Florida



**Independent Auditor’s Report on Compliance for Each Major State Project  
and on Internal Control Over Compliance Required by Chapter 10.650,  
*Rules of the Auditor General***

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

**Report on Compliance for Each Major State Project**

We have audited The ALS Association Florida Chapter, Inc.’s compliance with the types of compliance requirements described in the *Department of Financial Services’ State Projects Compliance Supplement* that could have a direct and material effect on The ALS Association Florida Chapter, Inc.’s major state project for the year ended January 31, 2016. The ALS Association Florida Chapter, Inc.’s major state project is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

**Management’s Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for The ALS Association Florida Chapter, Inc.’s major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.650, *Rules of the Auditor General*. Those standards and Chapter 10.650, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about The ALS Association Florida Chapter, Inc.’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state project. However, our audit does not provide a legal determination of The ALS Association Florida Chapter, Inc.’s compliance.



## Opinion on Each Major State Project

In our opinion, The ALS Association Florida Chapter, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended January 31, 2016.

## Report on Internal Control over Compliance

Management of The ALS Association Florida Chapter, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The ALS Association Florida Chapter, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state project and to test and report on internal control over compliance in accordance with Chapter 10.650, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.650, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

MAYER HOFFMAN MCCANN P.C.

May 19, 2016  
Clearwater, Florida

**THE ALS ASSOCIATION FLORIDA CHAPTER, INC.**

**Schedule of Findings and Questioned Costs**

**Year Ended January 31, 2016**

**(A) Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on The ALS Association Florida Chapter, Inc.'s basic financial statements.
2. No significant deficiencies were reported in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of The ALS Association Florida Chapter, Inc. were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major state project are reported in the Independent Auditor's Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Auditor General*.
5. The auditor's report on compliance for the major state project for The ALS Association Florida Chapter, Inc. expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General* are reported in this schedule.
7. The program tested as a major state project was:

ALS Association Florida Chapter (CSFA 64.127)
8. The threshold for distinguishing Types A and B programs was \$213,469 for major state projects.

**(B) Findings - Audit of Financial Statements**

None.

**(C) Findings and Questioned Costs - Major State Project**

None.

**(D) Other Issues**

No management letter is required because there were no findings related to major state projects. A Corrective Action Plan is not required because there were no findings required to be reported under the Florida Single Audit Act.