

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

**Financial Statements
and Supplementary Financial Information**

**January 31, 2022 and 2021
(With Independent Auditors' Report Thereon)**

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The ALS Association Florida Chapter, Inc. (a nonprofit Organization) (the "Association"), which comprise the statements of financial position as of January 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The ALS Association Florida Chapter, Inc. as of January 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audits were 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 audits 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 GAAS. 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 August 19, 2022 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 solely 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 the effectiveness of the Association's 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 Association's internal control over financial reporting and compliance.

MAYER HOFFMAN McCANN P.C.

August 19, 2022
St. Petersburg, Florida

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statements of Financial Position

January 31, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and cash equivalents	\$ 1,659,636	923,551
Accounts receivable:		
State of Florida grant	333,333	266,667
ALS National Office grant	-	51,000
Contributions receivable, current portion	38,461	64,894
Prepaid expenses and other assets	6,201	6,111
Investments, at fair value	<u>77,691</u>	<u>-</u>
Total current assets	2,115,322	1,312,223
Prepaid expense - long-term	5,997	7,496
Contributions receivable, less current portion	13,604	13,048
Property and equipment, net of accumulated depreciation	<u>520,731</u>	<u>526,442</u>
	<u>\$ 2,655,654</u>	<u>1,859,209</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 16,010	16,890
Due to ALS National	129,784	183,014
Accrued expenses:		
Costs under State of Florida grant	299,831	232,777
Personnel costs	51,233	43,679
Other	24,366	16,731
Current portion of long-term debt	<u>-</u>	<u>25,045</u>
Total current liabilities	521,224	518,136
Long-term debt, excluding current portion	<u>-</u>	<u>327,051</u>
Total liabilities	521,224	845,187
Net assets:		
Without donor restrictions	2,061,930	931,329
With donor restrictions	<u>72,500</u>	<u>82,693</u>
Total net assets	<u>2,134,430</u>	<u>1,014,022</u>
	<u>\$ 2,655,654</u>	<u>1,859,209</u>

See accompanying independent auditors' report and notes to financial statements.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Activities

**Year Ended January 31, 2022
(With Comparative Totals for 2021)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2022</u>	<u>2021</u>
Support and revenue:				
Contributions:				
Walk event	\$ 783,864	-	783,864	659,425
Ride event	144,014	-	144,014	114,268
Bequests	704,452	556	705,008	425,537
Noncash	110,200	-	110,200	96,600
Other contributions	1,277,339	39,185	1,316,524	638,759
State of Florida Binter-Plante Initiative grant	898,666	-	898,666	508,334
ALS National Office grant	-	-	-	270,345
Rent	-	-	-	14,494
Gain on forgiveness of Paycheck Protection Program loans	413,040	-	413,040	-
Other income (expense)	(3,157)	-	(3,157)	2,476
Net assets released from restrictions:				
Satisfaction of use restrictions	49,934	(49,934)	-	-
Total support and revenue	<u>4,378,352</u>	<u>(10,193)</u>	<u>4,368,159</u>	<u>2,730,238</u>
Expenses:				
Program services	2,628,604	-	2,628,604	2,027,765
Supporting services:				
Management and general	170,297	-	170,297	123,566
Fundraising	448,850	-	448,850	378,101
Total expenses	<u>3,247,751</u>	<u>-</u>	<u>3,247,751</u>	<u>2,529,432</u>
Increase (decrease) in net assets	1,130,601	(10,193)	1,120,408	200,806
Net assets at beginning of year	<u>931,329</u>	<u>82,693</u>	<u>1,014,022</u>	<u>813,216</u>
Net assets at end of year	<u>\$ 2,061,930</u>	<u>72,500</u>	<u>2,134,430</u>	<u>1,014,022</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Activities

Year Ended January 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions:			
Walk event	\$ 659,425	-	659,425
Ride event	114,268	-	114,268
Bequests	425,451	86	425,537
Noncash	96,600	-	96,600
Other contributions	588,409	50,350	638,759
State of Florida Binter-Plante Initiative grant	508,334	-	508,334
ALS National Office grant	270,345	-	270,345
Rent	14,494	-	14,494
Other income	2,476	-	2,476
Net assets released from restrictions:			
Satisfaction of use restrictions	25,434	(25,434)	-
	<hr/>	<hr/>	<hr/>
Total support and revenue	2,705,236	25,002	2,730,238
Expenses:			
Program services	2,027,765	-	2,027,765
Supporting services:			
Management and general	123,566	-	123,566
Fundraising	378,101	-	378,101
	<hr/>	<hr/>	<hr/>
Total expenses	2,529,432	-	2,529,432
	<hr/>	<hr/>	<hr/>
Increase in net assets	175,804	25,002	200,806
Net assets at beginning of year	755,525	57,691	813,216
Net assets at end of year	\$ <u>931,329</u>	<u>82,693</u>	<u>1,014,022</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Functional Expenses

**Year Ended January 31, 2022
(With Comparative Totals for 2021)**

	Program Services				Total Program Services	Supporting Services			Total Expenses	
	Advocacy	Awareness	Care Services	Research		Management and General	Fundraising	Total Supporting Services	2022	2021
Personnel costs	\$ 42,318	358,076	543,623	-	944,017	32,552	325,523	358,075	1,302,092	1,240,909
Professional fees	40,385	28,207	1,880	-	70,472	57,276	2,678	59,954	130,426	166,721
Center support	-	-	32,460	-	32,460	-	-	-	32,460	18,900
Assistance to clients	-	-	902,438	-	902,438	-	-	-	902,438	501,740
Bank and credit card fees	535	1,069	6,949	-	8,553	1,068	1,069	2,137	10,690	16,900
Conferences and training	243	405	6,688	-	7,336	405	4,411	4,816	12,152	8,703
Occupancy	906	1,813	11,781	-	14,500	1,812	1,813	3,625	18,125	22,940
Insurance	418	837	5,439	-	6,694	836	837	1,673	8,367	5,980
Office expense	417	833	5,417	-	6,667	834	833	1,667	8,334	11,723
Printing and reproduction	1,567	3,133	20,366	-	25,066	3,134	3,133	6,267	31,333	11,324
Postage and delivery	761	1,522	9,893	-	12,176	1,522	1,522	3,044	15,220	8,435
Supplies	2,770	5,541	36,014	-	44,325	5,540	5,541	11,081	55,406	30,038
Technology expense	2,095	4,189	27,230	-	33,514	4,189	4,189	8,378	41,892	65,692
Event rental expense	4,576	9,153	59,491	-	73,220	9,152	9,153	18,305	91,525	8,740
Research contribution to ALS National	-	-	-	27,020	27,020	-	-	-	27,020	10,584
Revenue share to ALS National	-	40,074	113,153	122,702	275,929	29,698	70,298	99,996	375,925	241,269
Telephone	787	1,575	10,237	-	12,599	1,575	1,575	3,150	15,749	15,150
Travel and transportation	-	-	-	-	-	18,484	13,648	32,132	32,132	9,610
Licenses and permits	19	38	246	-	303	38	38	76	379	420
In-kind expenses	-	-	110,200	-	110,200	-	-	-	110,200	96,600
Miscellaneous	429	859	5,582	-	6,870	858	859	1,717	8,587	15,063
Total expenses before interest, depreciation and amortization	98,226	457,324	1,909,087	149,722	2,614,359	168,973	447,120	616,093	3,230,452	2,507,441
Interest	142	284	1,849	-	2,275	285	284	569	2,844	8,066
Depreciation and amortization	217	361	11,392	-	11,970	1,039	1,446	2,485	14,455	13,925
Total expenses	\$ 98,585	457,969	1,922,328	149,722	2,628,604	170,297	448,850	619,147	3,247,751	2,529,432

See accompanying independent auditors' report and notes to financial statements.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statement of Functional Expenses

Year Ended January 31, 2021

	Program Services				Supporting Services			Total Expenses	
	Advocacy	Awareness	Care Services	Research	Total Program Services	Management and General	Fundraising		Total Supporting Services
Personnel costs	\$ 40,330	336,907	538,554	-	915,791	31,023	294,095	325,118	1,240,909
Professional fees	37,335	18,923	58,195	-	114,453	43,787	8,481	52,268	166,721
Center support	-	-	18,900	-	18,900	-	-	-	18,900
Assistance to clients	-	-	501,740	-	501,740	-	-	-	501,740
Bank and credit card fees	845	1,690	10,985	-	13,520	1,690	1,690	3,380	16,900
Conferences and training	174	290	4,790	-	5,254	290	3,159	3,449	8,703
Occupancy	1,147	2,294	14,911	-	18,352	2,294	2,294	4,588	22,940
Insurance	299	598	3,887	-	4,784	598	598	1,196	5,980
Office expense	586	1,172	7,620	-	9,378	1,173	1,172	2,345	11,723
Printing and reproduction	566	1,132	7,361	-	9,059	1,133	1,132	2,265	11,324
Postage and delivery	422	844	5,483	-	6,749	842	844	1,686	8,435
Supplies	1,467	2,934	19,072	-	23,473	3,631	2,934	6,565	30,038
Technology expense	3,285	6,569	42,700	-	52,554	6,569	6,569	13,138	65,692
Event rental expense	437	874	5,681	-	6,992	874	874	1,748	8,740
Research contribution to ALS National	-	-	-	10,584	10,584	-	-	-	10,584
Revenue share to ALS National	-	25,719	72,622	78,750	177,091	19,061	45,117	64,178	241,269
Telephone	758	1,515	9,848	-	12,121	1,514	1,515	3,029	15,150
Travel and transportation	-	-	-	-	-	5,731	3,879	9,610	9,610
Licenses and permits	21	42	273	-	336	42	42	84	420
In-kind expenses	-	-	96,600	-	96,600	-	-	-	96,600
Miscellaneous	753	1,506	9,791	-	12,050	1,507	1,506	3,013	15,063
Total expenses before interest, depreciation and amortization	88,425	403,009	1,429,013	89,334	2,009,781	121,759	375,901	497,660	2,507,441
Interest	403	807	5,243	-	6,453	806	807	1,613	8,066
Depreciation and amortization	209	348	10,974	-	11,531	1,001	1,393	2,394	13,925
Total expenses	\$ 89,037	404,164	1,445,230	89,334	2,027,765	123,566	378,101	501,667	2,529,432

See accompanying independent auditors' report and notes to financial statements.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Statements of Cash Flows

Years Ended January 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Increase in net assets	\$ 1,120,408	200,806
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	14,455	13,925
Gain on forgiveness of Paycheck Protection Program loans	(413,040)	-
Donated securities	(81,554)	-
Unrealized loss	3,863	-
Increase in accounts receivable	(15,666)	(284,334)
Decrease (increase) in contributions receivable	25,877	(14,940)
Decrease (increase) in prepaid expenses and other assets	1,064	(3,081)
Decrease in accounts payable	(880)	(4,235)
Increase (decrease) in due to ALS National	(53,230)	126,703
Increase in accrued expenses	82,243	210,837
Net cash provided by operating activities	<u>683,540</u>	<u>245,681</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(8,399)</u>	<u>-</u>
Net cash used in investing activities	(8,399)	-
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loans	222,440	190,600
Principal payments on long-term debt	<u>(161,496)</u>	<u>(15,995)</u>
Net cash provided by financing activities	<u>60,944</u>	<u>174,605</u>
Net increase in cash and cash equivalents	736,085	420,286
Cash and cash equivalents at beginning of year	<u>923,551</u>	<u>503,265</u>
Cash and cash equivalents at end of year	\$ <u><u>1,659,636</u></u>	\$ <u><u>923,551</u></u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ <u><u>2,844</u></u>	\$ <u><u>8,066</u></u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements

January 31, 2022 and 2021

(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) **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America which require that the Association report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions:* Net assets without donor restrictions are available for use at the discretion of the Association’s Board of Directors (the “Board”) and/or management for general operating purposes.
- *Net Assets With Donor Restrictions:* Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Association reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and are reported in the accompanying statements of activities as net assets released from restriction.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

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

(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 net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a time or purpose restriction has been satisfied, amounts previously received and recorded in net assets with donor restrictions are reclassified to net assets without donor restrictions.

(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, 2022 and 2021, 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 contractual obligations. As of January 31, 2022 and 2021, 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 and the ALS National Office.

(f) **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. Cash intended to be held for long-term purposes is classified as an investment. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

(g) **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

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

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

(g) **Property and Equipment - Continued**

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.

(h) **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, 2022 and 2021, 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, 2022 and 2021, \$2,575 and \$982, respectively, was allocated to the Association's Awareness program for joint costs related to printing and reproduction, professional fees, postage and delivery, and supplies.

(i) **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, 2019 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. This agreement was terminated during the year ended January 31, 2021 and generated a nominal amount of income tax expense in that year.

(j) **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.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

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

(k) **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. Expenses directly attributable to a specific functional area of the Association are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on time spent by employees on each functional area or square footage analysis for all indirect occupancy-related expenses.

(l) **Recent Accounting Pronouncements**

Accounting Standards Not Yet Adopted

In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in ASC Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. In June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date for all entities that have not yet adopted Topic 842 to annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Association is currently evaluating the effect the provisions of ASU No. 2016-02 will have on the financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit entities. The ASU will require a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. The ASU will also require enhanced disclosure, including disaggregation of nonfinancial assets recognized by category and qualitative information about each category. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. The Organization is currently evaluating the impact this ASU will have on its financial statements.

(m) **Going Concern Evaluation**

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Association performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(n) Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

(3) Contributions Receivable

Contributions receivable at January 31, 2022 and 2021 consist of the following:

	<u>2022</u>	<u>2021</u>
Sponsorships	\$ 38,461	64,894
Charitable remainder trust	13,604	13,048
Total contributions receivable	<u>\$ 52,065</u>	<u>77,942</u>
Amounts due in:		
Less than one year	\$ 38,461	64,894
One to five years	-	-
More than five years	13,604	13,048
	<u>\$ 52,065</u>	<u>77,942</u>

(4) Property and Equipment

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

	<u>2022</u>	<u>2021</u>
Land	\$ 225,000	225,000
Building	437,147	437,147
Building improvements	48,462	48,462
Medical equipment	417,596	409,196
Office furniture and equipment	17,142	17,142
	1,145,347	1,136,947
Less accumulated depreciation	<u>624,616</u>	<u>610,505</u>
	<u>\$ 520,731</u>	<u>526,442</u>

Depreciation expense was \$14,110 and \$13,861 in 2022 and 2021, respectively.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(5) Net Assets With Donor Restrictions

Net assets with donor restrictions are available for periods after January 31, 2022 and 2021 and for the following purposes:

	2022	2021
Medical equipment	\$ 26,663	11,663
Contributions receivable	13,604	13,048
Care services	32,233	57,982
	\$ 72,500	82,693

(6) Long-Term Debt

As of January 31, 2022 and 2021, long-term debt consists of the following:

	2022	2021
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 (4.625% at January 31, 2021), with a final payment of the remaining principal and accrued interest due in June 2026, secured by land and building. Fully repaid in June 2021.	\$ -	161,496
Paycheck Protection Program loan with a fixed interest rate of 1.00% payable in monthly installments of \$10,726 including interest, beginning November 2020 through April 2022, unless forgiven.	-	190,600
Total long-term debt	-	352,096
Less current portion	-	25,045
Long-term debt, excluding current portion	\$ -	327,051

In June 2021, the Association fully repaid the mortgage note payable with a final payment of approximately \$153,000. Funding for the mortgage repayment was provided through a donor-restricted contribution.

The Association applied for and received a forgivable Paycheck Protection Program Loan of \$190,600 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 16, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period through November 2020 and that certain employment levels are maintained. The Association received notice of a legal release from the obligation in April 2021, and therefore has recognized a gain on the forgiveness of debt of \$190,600 for the year ended January 31, 2022.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

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

The Association applied for and received a second forgivable Paycheck Protection Program Loan of \$222,440 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on February 4, 2021. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period through August 2021 and that certain employment levels are maintained. The Association received notice of a legal release from the obligation in October 2021, and therefore has recognized a gain on the forgiveness of debt of \$222,440 for the year ended January 31, 2022.

(7) **Line of Credit**

In September 2018, the Association entered into a revolving line of credit agreement with a financial institution. The agreement allows the Association to borrow up to \$200,000 at the Wall Street Journal prime rate plus 1% (4.25% at January 31, 2022). Amounts drawn on the line of credit are due on demand. The outstanding balance on the line of credit at January 31, 2022 and 2021 was \$0. The line of credit is collateralized by substantially all of the assets of the Association. The Association is subject to certain financial covenants, with which it was in compliance or had obtained waivers at January 31, 2022 and 2021.

(8) **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, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Research contribution to ALS National	\$ 27,020	10,584
Revenue share to ALS National	<u>375,925</u>	<u>241,269</u>
	<u>\$ 402,945</u>	<u>251,853</u>

(9) **Noncash Contributions**

Noncash medical equipment contributions for the years ended January 31, 2022 and 2021 were \$110,200 and \$96,600, 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. 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, 2022 and 2021, no donated medical equipment met the capitalization threshold.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(10) **Equipment Leases**

The Association leases certain equipment under noncancellable operating leases that expire at various dates through 2025. Rent expense for all operating leases was \$5,953 and \$7,903 for the years ended January 31, 2022 and 2021, respectively.

Future minimum lease payments under non-cancellable operating leases as of January 31, 2022 are as follows:

<u>Year Ending January 31,</u>	
2023	\$ 3,900
2024	3,900
2025	<u>700</u>
	<u>\$ 8,500</u>

(11) **Split-Interest Agreement**

Receivable Under Remainder Trust

The Association has been named a remainder beneficiary under a charitable remainder unitrust agreement. Upon the death of the two beneficiaries, the Association will be distributed a 10% interest. The receivable under remainder trust is reported at estimated fair value.

(12) **Fair Value Measurements**

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3: Valuation is based on unobservable inputs. The Association's receivable under a charitable remainder trust is included in Level 3.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(12) Fair Value Measurements - Continued

Fair value of assets measured on a recurring basis at January 31, 2022 and 2021 is as follows:

	Fair Value as of January 31, 2022	Level 1	Level 2	Level 3
Investments - Exchange-traded products	\$ 77,691	77,691	-	-
Receivable under remainder trust	<u>13,604</u>	<u>-</u>	<u>-</u>	<u>13,604</u>
	<u>\$ 91,295</u>	<u>77,691</u>	<u>-</u>	<u>13,604</u>
	Fair Value as of January 31, 2021	Level 1	Level 2	Level 3
Receivable under remainder trust	\$ 13,048	-	-	13,048
	<u>\$ 13,048</u>	<u>-</u>	<u>-</u>	<u>13,048</u>

The following table sets forth a summary of changes in fair value for the years ended January 31, 2022 and 2021 for which the Association has used Level 3 inputs to determine fair value:

Balance at January 31, 2020	\$ 12,962
Change in value	<u>86</u>
Balance at January 31, 2021	13,048
Change in value	<u>556</u>
Balance at January 31, 2022	<u>\$ 13,604</u>

Quantitative Information About Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The Association utilizes a discounted cash flow method to estimate the fair value of the receivable under remainder trust. At January 31, 2022, significant unobservable inputs include using a discount rate of 2% and estimated life expectancies of income beneficiaries ranging from 3 to 4 years.

(13) Employee Benefit Plan

The Association sponsors a 401(k) Savings Plan (the "Savings Plan") whereby employees may voluntarily contribute a percentage of compensation. Effective February 1, 2020, the Association will match 50% of all employee contributions up to 6% of eligible employee compensation. The total employer Savings Plan matching contributions were approximately \$28,700 in 2022 and \$18,500 in 2021.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(14) **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 2022, three clinics accounted for 46% of total payments to vendors, respectively, each individually accounting for greater than 10% of the total with the largest clinic accounting for 18%. In 2021, two clinics accounted for 22% of total payments to vendors, respectively, each individually accounting for greater than 10% of the total with the largest clinic accounting for 12%.

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 \$840,292 and \$77,728 as of January 31, 2022 and 2021, respectively.

(15) **Lightning Foundation Grant**

The Association received contributions of \$50,000 and \$0 from the Lightning Foundation during the years ended January 31, 2022 and 2021, respectively, that were restricted for care services. The contributions provided by the Lightning Foundation were used to fund respite grants for ten individuals that receive care services from the Association.

(16) **Liquidity and Availability of Resources**

The Association is supported by contributions with and without donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

As of January 31, 2022 and 2021, the Association's financial assets available to meet general expenditures within one year were as follows:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 1,659,636	923,551
Accounts receivable	333,333	317,667
Contributions receivable	52,065	77,942
	<u>2,045,034</u>	<u>1,319,160</u>
Less amounts unavailable for general expenditure within one year due to:		
Long-term contributions receivable	(13,604)	(13,048)
Donor-imposed restrictions:		
Use restrictions for medical equipment	(26,663)	(11,663)
Use restrictions for care services	(32,233)	(57,982)
	<u>(72,500)</u>	<u>(82,693)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,972,534</u>	<u>1,236,467</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(16) Liquidity and Availability of Resources - Continued

The Association regularly monitors liquidity to meet its operating needs and other contractual commitments. The Association has various sources of liquidity at its disposal including cash and cash equivalents and a line of credit (described in Note 7).

(17) Subsequent Events

Management has evaluated subsequent events through August 19, 2022, the date the financial statements were available for issuance.

In August 2022, the Association sold the land and building described in Note 4 for approximately \$750,000. The Association plans to enter into a lease agreement with the buyer in order to maintain its existing office space in the building.

In July 2022, the Association received notification of a 50% residuary interest in a trust with an estimated residual value of approximately \$2 million. The trust is expected to be liquidated by December 2022 and the proceeds will be restricted for ALS research.

SUPPLEMENTARY FINANCIAL INFORMATION

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Schedule of Expenditures of State Financial Assistance

Year Ended January 31, 2022

<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	COPBE	64.127	\$ <u>898,666</u>
Subtotal - Department of Health			<u>898,666</u>
Total expenditures of state financial assistance			\$ <u><u>898,666</u></u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Schedule of Expenditures of State Financial Assistance

Year Ended January 31, 2022

(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, 2022. 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, 2022.

INTERNAL CONTROL AND COMPLIANCE



**Independent Auditors’ 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 statements of financial position as of January 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated August 19, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Association’s internal control over financial reporting (internal control) as a basis for designing 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.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MAYER HOFFMAN MCCANN P.C.

August 19, 2022
St. Petersburg, Florida



**Independent Auditors' 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 Major State Project

Opinion on Major State Project

We have audited The ALS Association Florida Chapter, Inc.'s (the "Association") compliance with the types of compliance requirements identified as subject to audit in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Association's major state project for the year ended January 31, 2022. The Association's major state project is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state project.

Basis for Opinion on Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America; and Chapter 10.650, *Rules of the Auditor General*. Our responsibilities under those standards and Chapter 10.650, *Rules of the Auditor General* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state project. Our audit does not provide a legal determination of the Association's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Association's state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether to do with fraud or error, and express an opinion on the Association's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General* will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Association's compliance with the requirements of the major project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Chapter 10.650, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Association's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Association's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Association's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

August 19, 2022
St. Petersburg, Florida

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Schedule of Findings and Questioned Costs

Year Ended January 31, 2022

(A) Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on The ALS Association Florida Chapter, Inc.'s basic financial statements.
2. No significant deficiencies or material weaknesses were reported in our Independent Auditors' 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 or material weaknesses relating to the audit of the major state project are reported in the Independent Auditors' 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 auditors' report on compliance for the major state project for the ALS Association Florida Chapter, Inc. expresses an unmodified opinion.
6. Audit findings, if any, that are required to be reported in accordance with Chapter 10.650, *Rules of the Auditor General* are reported in this schedule.
7. The project tested as a major state project was:

ALS Association Florida Chapter (CSFA 64.127)
8. The threshold for distinguishing Types A and B projects was \$300,000 for major state projects.

(B) Findings - Audit of Financial Statements

None.

(C) Findings and Questioned Costs - Major State Project

None.

(D) Other Issues

A summary Schedule of Prior Audit Findings is not required because there were no prior audit findings related to state projects. A Corrective Action Plan is not required because there were no findings required to be reported under the Florida Single Audit Act.



Management Letter

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

Report on Financial Statements

We have audited the financial statements of The ALS Association Florida Chapter, Inc. as of and for the year ended January 31, 2022, and have issued our report thereon dated August 19, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America; and Chapter 10.650, *Rules of the Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditors' 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*, our Independent Auditors' Report on Compliance for Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the State of Florida Auditor General*, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 19, 2022, should be considered in conjunction with this management letter.

Other Matter

Section 10.654(1)(e), *Rules of the Auditor General*, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements or state project amounts that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not identify any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

MAYER HOFFMAN MCCANN P.C.

August 19, 2022
St. Petersburg, Florida

