

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

**Financial Statements  
and Supplementary Financial Information**

**January 31, 2023 and 2022  
(With Independent Auditors' Report Thereon)**

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

**Table of Contents**

	<b><u>Page</u></b>
Independent Auditors' Report	1 - 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 21
Supplementary Financial Information:	
Schedule of Expenditures of State Financial Assistance	22
Notes to Schedule of Expenditures of State Financial Assistance	23
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 <i>Government Auditing Standards</i>	24 - 25
Independent Auditors' Report on Compliance for Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, <i>Rules of the Auditor General</i>	26 - 28
Schedule of Findings and Questioned Costs	29
Management Letter	30



## **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, 2023 and 2022, 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, 2023 and 2022, 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 22, 2023 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 22, 2023  
St. Petersburg, Florida

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

**Statements of Financial Position**

**January 31, 2023 and 2022**

<b>Assets</b>	<u><b>2023</b></u>	<u><b>2022</b></u>
Current assets:		
Cash and cash equivalents	\$ 1,841,237	1,659,636
Accounts receivable:		
State of Florida grant	333,333	333,333
Contributions receivable, current portion	-	38,461
Prepaid expenses and other assets	-	6,201
Investments, at fair value	-	77,691
	<u>2,174,570</u>	<u>2,115,322</u>
Total current assets		
Prepaid expense - long-term	-	5,997
Contributions receivable, less current portion	-	13,604
Property and equipment, net of accumulated depreciation	-	520,731
Operating lease right-of-use asset, net	4,554	-
	<u>\$ 2,179,124</u>	<u>2,655,654</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ -	16,010
Due to ALS National	397,385	129,784
Accrued expenses:		
Costs under State of Florida grant	-	299,831
Personnel costs	-	51,233
Other	-	24,366
Current portion of operating lease liability	3,899	-
	<u>401,284</u>	<u>521,224</u>
Total current liabilities		
Operating lease liability, less current portion	655	-
	<u>401,939</u>	<u>521,224</u>
Total liabilities		
Net assets:		
Without donor restrictions	1,777,185	2,061,930
With donor restrictions	-	72,500
	<u>1,777,185</u>	<u>2,134,430</u>
Total net assets		
	<u>\$ 2,179,124</u>	<u>2,655,654</u>

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

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

**Statement of Activities**

**Year Ended January 31, 2023  
(With Comparative Totals for 2022)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2023</u>	<u>2022</u>
Support and revenue:				
Contributions:				
Walk event	\$ 761,606	-	761,606	783,864
Ride event	94,774	-	94,774	144,014
Bequests	10,254	-	10,254	705,008
Noncash	32,000	-	32,000	110,200
Other contributions	2,042,196	31,296	2,073,492	1,316,524
State of Florida Bitner-Plante Initiative grant	1,000,000	-	1,000,000	898,666
Gain on forgiveness of Paycheck Protection Program loans	-	-	-	413,040
Gain on disposal of property and building	235,100	-	235,100	-
Other income (expense)	17,038	-	17,038	(3,157)
Transfer of net assets to ALSA pursuant to Transfer Agreement	53,862	(53,862)	-	-
Net assets released from restrictions:				
Satisfaction of use restrictions	49,934	(49,934)	-	-
Total support and revenue	<u>4,296,764</u>	<u>(72,500)</u>	<u>4,224,264</u>	<u>4,368,159</u>
Expenses:				
Program services	3,979,455	-	3,979,455	2,628,604
Supporting services:				
Management and general	224,382	-	224,382	170,297
Fundraising	377,672	-	377,672	448,850
Total expenses	<u>4,581,509</u>	<u>-</u>	<u>4,581,509</u>	<u>3,247,751</u>
Increase (decrease) in net assets	(284,745)	(72,500)	(357,245)	1,120,408
Net assets at beginning of year	<u>2,061,930</u>	<u>72,500</u>	<u>2,134,430</u>	<u>1,014,022</u>
Net assets at end of year	<u>\$ 1,777,185</u>	<u>-</u>	<u>1,777,185</u>	<u>2,134,430</u>

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

**Statement of Activities**

**Year Ended January 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions:			
Walk event	\$ 783,864	-	783,864
Ride event	144,014	-	144,014
Bequests	704,452	556	705,008
Noncash	110,200	-	110,200
Other contributions	1,277,339	39,185	1,316,524
State of Florida Bitner-Plante Initiative grant	898,666	-	898,666
Gain on forgiveness of Paycheck Protection Program loans	413,040	-	413,040
Other expense	(3,157)	-	(3,157)
Net assets released from restrictions:			
Satisfaction of use restrictions	<u>49,934</u>	<u>(49,934)</u>	<u>-</u>
Total support and revenue	4,378,352	(10,193)	4,368,159
Expenses:			
Program services	2,628,604	-	2,628,604
Supporting services:			
Management and general	170,297	-	170,297
Fundraising	<u>448,850</u>	<u>-</u>	<u>448,850</u>
Total expenses	<u>3,247,751</u>	<u>-</u>	<u>3,247,751</u>
Increase (decrease) in net assets	1,130,601	(10,193)	1,120,408
Net assets at beginning of year	<u>931,329</u>	<u>82,693</u>	<u>1,014,022</u>
Net assets at end of year	<u>\$ 2,061,930</u>	<u>72,500</u>	<u>2,134,430</u>



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

**Statement of Functional Expenses**

**Year Ended January 31, 2023  
(With Comparative Totals for 2022)**

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses	
	Advocacy	Awareness	Care Services	Research		Management and General	Fundraising		2023	2022
Personnel costs	\$ 24,687	345,577	495,578	-	865,842	22,785	326,589	349,374	1,215,216	1,302,092
Professional fees	44,576	19,051	-	-	63,627	58,524	4,249	62,773	126,400	130,426
Center support	-	3,413	31,388	-	34,801	52,305	-	52,305	87,106	32,460
Assistance to clients	-	-	859,133	-	859,133	-	-	-	859,133	902,438
Bank and credit card fees	1,736	3,472	22,569	-	27,777	3,473	3,472	6,945	34,722	10,690
Conferences and training	3	5	76	-	84	4	50	54	138	12,152
Occupancy	1,355	2,711	13,767	-	17,833	2,711	2,711	5,422	23,255	18,125
Insurance	326	652	4,236	-	5,214	651	652	1,303	6,517	8,367
Office expense	690	1,381	8,975	-	11,046	1,381	1,381	2,762	13,808	8,334
Printing and reproduction	2,378	4,756	30,911	-	38,045	4,755	4,756	9,511	47,556	31,333
Postage and delivery	449	898	5,835	-	7,182	897	898	1,795	8,977	15,220
Supplies	1,425	2,850	18,522	-	22,797	2,849	2,850	5,699	28,496	55,406
Technology expense	1,497	2,994	19,460	-	23,951	2,993	2,994	5,987	29,938	41,892
Event rental expense	10,504	21,008	136,549	-	168,061	21,007	21,008	42,015	210,076	91,525
Research contribution to ALS National	-	-	-	1,503,254	1,503,254	-	-	-	1,503,254	27,020
Revenue share to ALS National	-	-	-	-	-	-	-	-	-	375,925
Telephone	1,326	2,653	17,242	-	21,221	2,652	2,653	5,305	26,526	15,749
Travel and transportation	-	-	-	-	-	44,305	-	44,305	44,305	32,132
Licenses and permits	-	-	-	-	-	-	-	-	-	379
In-kind expenses	-	-	32,000	-	32,000	-	-	-	32,000	110,200
Subcontractor expenses	-	-	250,000	-	250,000	-	-	-	250,000	-
Miscellaneous	1,138	2,276	14,792	-	18,206	2,275	2,276	4,551	22,757	8,587
<b>Total expenses before interest, depreciation and amortization</b>	<b>92,090</b>	<b>413,697</b>	<b>1,961,033</b>	<b>1,503,254</b>	<b>3,970,074</b>	<b>223,567</b>	<b>376,539</b>	<b>600,106</b>	<b>4,570,180</b>	<b>3,230,452</b>
Interest	-	-	-	-	-	-	-	-	-	2,844
Depreciation and amortization	170	283	8,928	-	9,381	815	1,133	1,948	11,329	14,455
<b>Total expenses</b>	<b>\$ 92,260</b>	<b>413,980</b>	<b>1,969,961</b>	<b>1,503,254</b>	<b>3,979,455</b>	<b>224,382</b>	<b>377,672</b>	<b>602,054</b>	<b>4,581,509</b>	<b>3,247,751</b>

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

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

**Statement of Functional Expenses**

**Year Ended January 31, 2022**

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

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

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

**Statements of Cash Flows**

**Years Ended January 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (357,245)	1,120,408
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	7,475	14,455
Noncash lease expense	3,854	-
Gain on disposal of property and building	(235,100)	-
Gain on forgiveness of Paycheck Protection Program loans	-	(413,040)
Donated securities	-	(81,554)
Decrease (increase) in accounts receivable	-	(15,666)
Decrease in contributions receivable	52,065	25,877
Decrease in prepaid expenses and other assets	12,198	1,064
Decrease in accounts payable	(16,010)	(880)
Increase (decrease) in due to ALS National	267,601	(53,230)
Decrease in operating lease liabilities	(3,854)	-
Increase (decrease) in accrued expenses	(375,430)	82,243
Net cash (used in) provided by operating activities	(644,446)	679,677
Cash flows from investing activities:		
Proceeds from disposal of property and building	750,013	-
Purchases of property and equipment	(1,657)	(8,399)
Proceeds from the sale of investments	77,691	3,863
Net cash provided by (used in) investing activities	826,047	(4,536)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program loans	-	222,440
Principal payments on long-term debt	-	(161,496)
Net cash provided by financing activities	-	60,944
Net increase in cash and cash equivalents	181,601	736,085
Cash and cash equivalents at beginning of year	1,659,636	923,551
Cash and cash equivalents at end of year	\$ 1,841,237	1,659,636
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ -	2,844
Right-of-use assets and lease liabilities arising from adoption of <i>Topic 842, Leases</i>	\$ 8,408	-

# THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

## Notes to Financial Statements

January 31, 2023 and 2022

### (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.

In October 2022, the Association entered into a Transfer Agreement (“Agreement”) with Amyotrophic Lateral Sclerosis Association (“ALSA” or “National”) for the purpose of transferring specified operations, assets and liabilities to ALSA with the goal of achieving a unified structure and unified delivery of program services. The transfer closing date specified in the Agreement was November 1, 2022. The Association remained an independent legal entity after the closing date and retained certain cash balances as specified in the Agreement. Programming previously carried out by the Association prior to the closing date is now conducted by ALSA. The agreement also includes a provision that indicates that ALSA will comply with donor-imposed restrictions for donor-restricted net assets transferred in connection with the Agreement. As a result, the Association’s financial statements no longer reflect any net assets with donor restrictions.

The Agreement also specified that, between the closing date and December 31, 2024, the Association and ALSA will effectuate a legal merger in which ALSA or a wholly-owned subsidiary of ALSA will be the surviving corporation and the Association will cease to exist as a separate legal entity.

### (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.

# THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

## Notes to Financial Statements - Continued

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

#### (b) Basis of Presentation - Continued

- *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.

#### (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, 2023 and 2022, 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, 2023 and 2022, 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.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

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

(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

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, 2023 and 2022, 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, 2023 and 2022, \$0 and \$2,575, 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, 2020 remain subject to examination.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

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

(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.

(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) **Accounting Standards Recently Adopted**

In September 2020, the FASB issued ASU No. 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 have been applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. On February 1, 2022, the Association adopted ASU 2020-07 using a retrospective approach. The adoption of this standard did not have a material impact on the Association's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in 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 had 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 adopted Topic 842 effective February 1, 2022 and applied it to all existing, long-term leases using the modified retrospective method.

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

**Notes to Financial Statements - Continued**

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

**(l) Accounting Standards Recently Adopted - Continued**

The new standard provides a number of optional practical expedients in transition. The Association elected the “package of practical expedients” which permitted the Association not to reassess under the new standard its prior conclusions about lease identification, lease classification, and initial direct costs. The new standard also provided practical expedients for ongoing accounting. The Association also elected the short-term lease recognition exemption for all leases that qualified. For those leases that qualified, existing short-term leases at the transition date and those entered into subsequent to the transition date, the Association did not recognize right-of-use assets or lease liabilities. As a result of the adoption of this standard, the Association recognized operating lease right-of-use assets of \$8,408 and corresponding operating lease liabilities of \$8,408 as of February 1, 2022, which was based on the present value of the remaining minimum rental payments under current leasing standards for existing operating leases. See Note 10 for further information on the Association’s leases.

**(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.

**(n) Reclassifications**

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

**(3) Contributions Receivable**

Contributions receivable at January 31, 2023 and 2022 consist of the following:

	<b>2023</b>	<b>2022</b>
Sponsorships	\$ -	38,461
Charitable remainder trust	-	13,604
Total contributions receivable	\$ -	52,065
Amounts due in:		
Less than one year	\$ -	38,461
One to five years	-	-
More than five years	-	13,604
	\$ -	52,065



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

**Notes to Financial Statements - Continued**

**(4) Property and Equipment**

Property and equipment at January 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ -	225,000
Building	-	437,147
Building improvements	-	48,462
Medical equipment	-	417,596
Office furniture and equipment	-	17,142
	-	1,145,347
Less accumulated depreciation	-	624,616
	\$ -	520,731

Depreciation expense was \$7,475 and \$14,110 in 2023 and 2022, respectively.

**(5) Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for periods after January 31, 2023 and 2022 and for the following purposes:

	<u>2023</u>	<u>2022</u>
Medical equipment	\$ -	26,663
Contributions receivable	-	13,604
Care services	-	32,233
	\$ -	72,500

**(6) Long-Term Debt**

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 had 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 had 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 which allowed the Association to borrow up to \$200,000 at the Wall Street Journal prime rate plus 1%. The outstanding balance on the line of credit at January 31, 2023 and 2022 was \$0. The line of credit was collateralized by substantially all of the assets of the Association. Effective October 2022, the line of credit was closed.

**(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, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Research contribution to ALS National	\$ 1,503,254	27,020
Revenue share to ALS National	-	375,925
	<u>\$ 1,503,254</u>	<u>402,945</u>

**(9) Contributed Nonfinancial Assets**

Noncash medical equipment contributions for the years ended January 31, 2023 and 2022 were \$32,000 and \$110,200, 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, 2023 and 2022, no donated medical equipment met the capitalization threshold.

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(10) Equipment Leases

The Association has operating leases for certain office equipment. The leases have a remaining term ranging between one to two years. The Association determines if an arrangement is a lease at inception.

ROU assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As an accounting policy election, the Association uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments if the rate implicit in a lease is not-readily determinable. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise that option. The Association's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

For the year ended January 31, 2023, the components of lease expense were as follows:

Operating lease costs	\$	3,934
Short-term lease costs		<u>10,947</u>
	\$	<u><u>14,881</u></u>

As of January 31, 2023, the weight average remaining lease term and discount rate for operating leases was 1.16 years and 1.22%, respectively.

The following summarizes cash flow information related to leases for the year ended January 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	3,933
Lease assets obtained in exchange for lease obligations:		
Operating leases		8,408

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(10) **Equipment Leases - Continued**

The maturities of lease liabilities as of January 31, 2023 were as follows:

<u>Year Ending January 31,</u>	<u>Operating Lease</u>
2024	\$ 3,933
2025	<u>656</u>
Total operating lease payments	4,589
Less imputed interest	<u>(35)</u>
Present value of lease liabilities	4,554
Less current portion	<u>(3,899)</u>
Lease liabilities, net of current portion	<u>\$ 655</u>

Rent expense under operating leases in for the year ended January 31, 2022 under ASC 840 was \$5,953, which is included in management and general expenses in the accompanying 2022 statement of activities. Future minimum lease payments under noncancellable operating leases as of January 31, 2022 (as classified under prior authoritative lease accounting guidance) were approximately 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. On November 1, 2022, the receivable under remainder trust was transferred to National as described in Note 1.

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

**Notes to Financial Statements - Continued**

**(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.

Fair value of assets measured on a recurring basis at January 31, 2023 and 2022 is as follows:

	<b>Fair Value as of January 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments - Exchange-traded products	\$ -	-	-	-
Receivable under remainder trust	-	-	-	-
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Fair Value as of January 31, 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments - Exchange-traded products	\$ 77,691	77,691	-	-
Receivable under remainder trust	13,604	-	-	13,604
	<u>\$ 91,295</u>	<u>77,691</u>	<u>-</u>	<u>13,604</u>

The following table sets forth a summary of changes in fair value for the years ended January 31, 2023 and 2022 for which the Association has used Level 3 inputs to determine fair value:

Balance at January 31, 2021	\$ 13,048
Change in value	<u>556</u>
Balance at January 31, 2022	13,604
Transfer to National	<u>(13,604)</u>
Balance at January 31, 2023	<u>\$ -</u>

THE ALS ASSOCIATION FLORIDA CHAPTER, INC.

Notes to Financial Statements - Continued

(12) **Fair Value Measurements - Continued**

*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 included 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 \$21,400 in 2023 and \$28,700 in 2022. The amount reflected for 2023 includes amounts paid through October 31, 2022, prior to the transfer agreement with National as described in Note 1.

(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. At January 31, 2023, and January 31, 2022, respectively, 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%.

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 \$0 and \$840,292 as of January 31, 2023 and 2022, respectively.

(15) **Lightning Foundation Grant**

The Association received contributions of \$5,000 and \$50,000 from the Lightning Foundation during the years ended January 31, 2023 and 2022, respectively, of which, \$0 and \$50,000 was restricted to supporting the Chapter’s Care Service programs and met all measures outlined in the agreement.

(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.

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

**Notes to Financial Statements - Continued**

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

As of January 31, 2023 and 2022, the Association's financial assets available to meet general expenditures within one year were as follows:

	<b>2023</b>	<b>2022</b>
Financial assets:		
Cash and cash equivalents	\$ 1,841,237	1,659,636
Accounts receivable	333,333	333,333
Contributions receivable	-	52,065
Total financial assets	2,174,570	2,045,034
Less amounts unavailable for general expenditure within one year due to:		
Long-term contributions receivable	-	(13,604)
Donor-imposed restrictions:		
Use restrictions for medical equipment	-	(26,663)
Use restrictions for care services	-	(32,233)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,174,570	1,972,534

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 22, 2023, 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, 2023**

<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>1,000,000</u>
Subtotal - Department of Health			<u>1,000,000</u>
Total expenditures of state financial assistance			\$ <u><u>1,000,000</u></u>

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

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

**Year Ended January 31, 2023**

**(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, 2023. 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 provided \$250,000 of state financial assistance to subrecipients during the year ended January 31, 2023.

**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, 2023 and 2022, 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 22, 2023.

**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 22, 2023  
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, 2023. 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 22, 2023  
St. Petersburg, Florida



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

**Schedule of Findings and Questioned Costs**

**Year Ended January 31, 2023**

**(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, 2023, and have issued our report thereon dated August 22, 2023.

### **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 Each Major State Project and on Internal Control Over Compliance Required by Chapter 10.650, *Rules of the Auditor General*, and the Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated August 22, 2023, 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, 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 22, 2023  
St. Petersburg, Florida