

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Florida Breast Cancer Coalition Research Foundation, Inc.
d/b/a Florida Breast Cancer Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2018 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Marcum LLP

Miami, FL
February 15, 2018

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

Assets

| | |
|-----------------------------------|---------------|
| Cash and cash equivalents | \$ 2,059,409 |
| Accounts receivable | 54,627 |
| Prepaid expenses and other assets | <u>31,710</u> |

Total Assets \$ 2,145,746

Liabilities and Net Assets

Liabilities

| | |
|---------------------------------------|-----------|
| Accounts payable and accrued expenses | \$ 14,851 |
|---------------------------------------|-----------|

Total Liabilities \$ 14,851

Net Assets

| | |
|------------------------|------------------|
| Unrestricted | 1,037,374 |
| Temporarily restricted | <u>1,093,521</u> |

Total Net Assets 2,130,895

Total Liabilities and Net Assets \$ 2,145,746

The accompanying notes are an integral part of these financial statements.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2017

| | Unrestricted | Temporarily Restricted | Total |
|---|---------------------|---------------------------|---------------------|
| Revenue and Other Support | | | |
| License plate revenues | \$ 107,843 | \$ 503,605 | \$ 611,448 |
| Thrift shop revenues | 616,614 | -- | 616,614 |
| Donations | 176,469 | -- | 176,469 |
| Special events revenue | 96,423 | -- | 96,423 |
| Interest income | 1,960 | 4,443 | 6,403 |
| Total Revenue and Other Support | <u>999,309</u> | <u>508,048</u> | <u>1,507,357</u> |
| Net Assets Released from Restrictions - Expiration and Fulfillment of Restrictions | <u>61,423</u> | <u>(61,423)</u> | <u>--</u> |
| Total Revenue and Other Support and Net Assets Released from Restriction | <u>1,060,732</u> | <u>446,625</u> | <u>1,507,357</u> |
| Expenses | | | |
| Program services | <u>558,641</u> | <u>--</u> | <u>558,641</u> |
| Supporting services: | | | |
| General and administrative | 56,220 | -- | 56,220 |
| Fundraising | 82,197 | -- | 82,197 |
| Total supporting services | <u>138,417</u> | <u>--</u> | <u>138,417</u> |
| Total Expenses | <u>697,058</u> | <u>--</u> | <u>697,058</u> |
| Change in Net Assets | 363,674 | 446,625 | 810,299 |
| Net Assets - Beginning | <u>673,700</u> | <u>646,896</u> | <u>1,320,596</u> |
| Net Assets - Ending | <u>\$ 1,037,374</u> | <u>\$ 1,093,521</u> | <u>\$ 2,130,895</u> |

The accompanying notes are an integral part of these financial statements.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

| | Program Services | Supporting Services | | Total |
|----------------------------|---------------------|-------------------------------|------------------|-------------------|
| | | General and Administrative | Fundraising | |
| Salaries and benefits | \$ 243,049 | \$ 44,560 | \$ 30,102 | \$ 317,711 |
| Marketing/awareness | 76,910 | 406 | 27,026 | 104,342 |
| Advocacy/education | 97,889 | -- | -- | 97,889 |
| Grant awards | 61,423 | -- | -- | 61,423 |
| Rent | 34,477 | 4,925 | 9,850 | 49,252 |
| Professional fees | 20,188 | 2,884 | 5,768 | 28,840 |
| Events | -- | -- | 2,933 | 2,933 |
| Other | 8,125 | 2,043 | 3,343 | 13,511 |
| Community relations | 6,762 | -- | -- | 6,762 |
| Telecommunications | 3,014 | 431 | 861 | 4,306 |
| Office furniture/equipment | 2,782 | 397 | 795 | 3,974 |
| Printing | 2,328 | 332 | 665 | 3,325 |
| Supplies | 1,248 | 178 | 357 | 1,783 |
| Postage and delivery | 446 | 64 | 497 | 1,007 |
| Total | <u>\$ 558,641</u> | <u>\$ 56,220</u> | <u>\$ 82,197</u> | <u>\$ 697,058</u> |

The accompanying notes are an integral part of these financial statements.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

Cash Flows From Operating Activities

| | |
|---|----------------------------|
| Change in net assets | \$ 810,299 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Changes in operating assets and liabilities: | |
| Accounts receivable | \$ (8,275) |
| Prepaid expenses and other assets | (14,490) |
| Accounts payable and accrued expenses | <u>(2,519)</u> |
| Total Adjustments | <u>(25,284)</u> |
| Net Cash Provided by Operating Activities | <u>785,015</u> |
| Net Increase in Cash | 785,015 |
| Cash and Cash Equivalents - Beginning | <u>1,274,394</u> |
| Cash and Cash Equivalents - Ending | <u><u>\$ 2,059,409</u></u> |

The accompanying notes are an integral part of these financial statements.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE ORGANIZATION

The Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation") has as its mission to end breast cancer through advocacy, education and research. It achieves its mission by raising public awareness regarding breast cancer through providing community education and providing resource materials and information to the Florida community. The Foundation also awards grants to qualifying Foundations in the State of Florida. All funding raised is used solely in the State of Florida.

RESEARCH AWARDS AND GRANTS

The Foundation awards funds to support grassroots educational programs as well as breast cancer research programs at major institutions throughout Florida. The Foundation is the only organization in the State of Florida that receives funds from the sale of the End Breast Cancer specialty license plates from which 80% of the funds received are restricted for grant purposes and 20% are unrestricted and available to be used for operational/administrative expenses. The Foundation also receives funds from the voluntary checkoff program from which all funds received are restricted for grant purposes. All grant awards by the Foundation are provided only to organizations within the State of Florida.

BASIS OF ACCOUNTING AND PRESENTATION

The Foundation follows the standards of accounting and financial reporting for not-for-profit Foundations as prescribed by the Financial Accounting Standards Board ("FASB"). The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted

Net assets which are free of donor-imposed restrictions; all revenues, expenses, gains, and losses that are not changes in temporarily or permanently restricted net assets.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING AND PRESENTATION (CONTINUED)

Temporarily Restricted

Net assets which use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations. For the year ended June 30, 2017, temporarily restricted contributions include state grant revenues and related interest income totaling \$508,048. For the fiscal year ended June 30, 2017, \$61,423 was released from restriction (funds awarded to other organizations). The Foundation had temporarily restricted net assets of \$1,093,521 as of June 30, 2017.

Permanently Restricted

Net assets which use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. The Foundation did not have any permanently restricted net assets as of June 30, 2017.

CASH EQUIVALENTS

Cash equivalents include all highly liquid investments with maturities of three months or less when purchased.

THRIFT STORE REVENUE

Thrift store revenue is recognized as revenue when the funds have been earned in accordance with the provisions of the respective agreement.

CONTRIBUTIONS

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

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND-RAISING ACTIVITIES

The Foundation's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 "Accounting for Costs of Activities of Not-for-Profit Foundations and State and Local Government Entities that Included Fund Raising". FASB ASC 958 establishes criteria for accounting and reporting for any entity that solicits contributions.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and are summarized on a functional basis in the statement of activities. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs based on the time spent.

INCOME TAXES

The Foundation is a non-profit corporation as defined by Section 501(c)(3) of the U.S. Internal Revenue Code and as such is subject to state and federal income taxes only on unrelated business taxable income. There were no income taxes resulting from unrelated business income during the year ended June 30, 2017.

The Foundation follows the provisions of FASB ASC Topic 740-10 and related subsections for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Foundation's tax returns. As a result of implementing this guidance, management has determined that the Foundation does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. If the Foundation were to incur an income tax liability in the future, interest would be reported as interest expense and penalties would be reported as income taxes. Generally, the Foundation's tax returns remain open for federal income tax examination for three years from the date of filing.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

VOLUNTEER SERVICES

The Foundation utilizes the services of volunteers in their advocacy work and programs. Because there is no objective means of valuing such services, no amounts for such services are recorded in the accompanying financial statements.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Financial instruments which potentially expose the Foundation to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable.

Cash and Cash Equivalents

From time to time, the Foundation maintains its cash and cash equivalents in deposit accounts at financial institutions that exceed the Federal Deposit Insurance Corporation ("FDIC") limits. The Foundation maintains these balances in what it believes to be high quality financial institutions, which it believes limits its risk.

Accounts Receivable

Accounts receivable consist principally of amounts due from the thrift store and grantor agencies pursuant to the terms of the respective agreements. Accounts receivable are stated at net realizable value. Allowances are provided for amounts estimated to be uncollectible based on historical experience and any specific collection issues that the Foundation has identified. It is the Foundation's policy to charge uncollectible receivables against the allowance when management determines that the related balance will not be collected. Management determined that an allowance for doubtful accounts was not necessary at June 30, 2017.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENTS

In accordance with GAAP, the Foundation defines fair value as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Foundation. Unobservable inputs are inputs that reflect the Foundation's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1

Observable inputs, such as quoted market prices in active markets for the identical asset or liability that are accessible at the measurement date.

Level 2

Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly for the asset or liability.

Level 3

Unobservable inputs that reflect the entity's own assumptions about the exit price of the asset or liability. Unobservable inputs may be used if there is little or no market data for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of June 30, 2017, the Foundation did not have any financial assets or liabilities that require fair value measurement on a recurring basis.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENT ACCOUNTING PRONOUNCEMENT

In August 2016, the FASB issued ASU 2016-14, “*Presentation of Financial Statements of Not-for-Profit Entities*”, representing the completion of the first phase of a two-phase project to amend not-for-profit financial reporting requirements as set out in FASB ASC 958, *Not-for-Profit Entities*. The ASU eliminates the distinction between resources with permanent restrictions and those with temporary restrictions from the face of not-for-profit financial statements by reducing the current three net asset classes (unrestricted, temporarily restricted, and permanently restricted) to two classes: net assets with donor restrictions and net assets without donor restrictions. Further, the ASU requires enhanced disclosures and also allows not-for-profits to present operating cash flows on the statement of cash flows using either the direct method or the indirect method. The ASU will be effective for the Foundation for fiscal years starting after December 15, 2017, and the interim periods within. Reporting entities should apply the ASU retrospectively to all periods presented. Earlier application is permitted, however, the Foundation did not early adopt the ASU. Management is in the process of evaluating the ASU for the potential impact on its financial statements upon adoption.

SUBSEQUENT EVENTS

Management has evaluated subsequent events to determine if events or transactions occurring through February 15, 2018 which was the date the financial statements were available to be issued, require adjustment to or disclosure in the financial statements.

NOTE 2 - CONCENTRATIONS

REVENUE

The Foundation received approximately 41% of their revenue from the State of Florida, Department of Highway Safety and Motor Vehicles (the “Department”) for the year ended June 30, 2017. The Foundation also received approximately 41% of their revenue from the Thrift Store (see Note 4). As the revenue from the Department and the Thrift Store are significant to the overall operations of the Foundation, any significant reduction or loss of funding from the Department or Thrift Store may affect the Foundation’s ability to operate in its present form.

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - GRANT COMMITMENTS

The Foundation provides resources to different institutions to conduct research related to breast cancer. The projects include clinical research and education, in order to improve health and find a cure for breast cancer. Awards and grants expense for the year ended June 30, 2017 was \$61,423, net of \$686 of refunds received for unused grants awarded in prior years, which is reflected as net assets released from restriction in temporarily restricted net assets. As of June 30, 2017, the Foundation does not have any conditional promises to give to any organizations.

NOTE 4 - THRIFT STORE

On November 27, 2012, the Foundation executed a 10 year agreement with a thrift store operator in which items (clothes, furniture, etc.) are donated to the Foundation and are sold by the thrift store operator at local thrift stores. On March 1, 2016, the Foundation amended and restated the agreement through June 2028. The Foundation earns a fee to help fund efforts toward breast cancer advocacy, education and research based on the contract terms. Revenues related to the thrift store were approximately \$617,000 for the year ended June 30, 2017.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of license plate revenues and donations from the voluntary checkoff program. These amounts are restricted for grant awards to be provided for breast cancer research and education.

Research and education funding can be made available for:

- Basic, clinical, and translational breast cancer research, with priority given to Young Investigator
- Epidemiological studies of breast cancer
- Research on possible links between breast cancer and the environment
- Psychoimmunological research
- Innovative awards and idea grants

**FLORIDA BREAST CANCER COALITION
RESEARCH FOUNDATION, INC.
D/B/A FLORIDA BREAST CANCER FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 6- COMMITMENTS AND CONTINGENCIES

Effective January 15, 2015, the Foundation entered into a lease agreement for its office beginning February 2015 and expiring in February 2020.

Future minimum annual rentals on noncancelable operating leases are approximately as follows:

| For the Year Ending June 30, | Amount |
|---------------------------------|--------------------------|
| 2018 | \$ 49,000 |
| 2019 | 52,000 |
| 2020 | <u>29,000</u> |
| Total | <u>\$ 130,000</u> |

For the year ended June 30, 2017, the Foundation recorded rent expense in the amount of approximately \$49,000.

The Foundation participates in state and local programs that are subject to audit by the respective agencies. Any disallowed funds received or to be received under these programs may constitute a liability in the amount of the disallowed funds. Management does not believe that any potential disallowed funds would have a significant effect on the financial statements.

COMPLIANCE SECTION

**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***

Board of Directors

**Florida Breast Cancer Coalition Research Foundation, Inc.
d/b/a Florida Breast Cancer Foundation, 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 Florida Breast Cancer Coalition Research Foundation, Inc. d/b/a Florida Breast Cancer Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and have issued our report thereon dated February 15, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Miami, FL
February 15, 2018