



C Borders-Byrd, CPA LLC
Accountants and Consultants

Financial Statements and Report of Independent
Certified Public Accountants

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

June 30, 2016



November 21, 2016

To the Board of Directors of
Magnet Educational Choice Association, Inc.

We have audited the financial statements of Magnet Educational Choice Association, Inc. for the year ended June 30, 2016, and have issued our report thereon dated November 21, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 11, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Magnet Educational Choice Association, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the cash and cash equivalent is based on the financial institution valuation. We evaluated the key factors and assumptions used to develop the cash and cash equivalent in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of temporarily restricted net assets in Note 4 to the financial statements as there are numerous stakeholders that participate in the Association program.

The financial statement disclosures are neutral, consistent, and clear.



Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 21, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Directors and management of Magnet Educational Choice Association, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

C BORDERS-BYRD, CPA LLC

By:

Cynthia Borders-Byrd
Managing Member

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

Financial Statements and Report of Independent Certified Public Accountants
June 30, 2016

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Magnet Educational Choice Association, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Magnet Educational Choice Association, Inc. (the "Association"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities 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.

Auditor's 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 *Governmental 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Magnet Educational Choice Association, Inc. as of June 30, 2016, 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of restricted revenue and expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2016, on our consideration of Magnet Educational Choice Association, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Magnet Educational Choice Association, Inc.'s internal control over financial reporting and compliance.

C. Borden & Boyd, CPA LLC

Miami, Florida
November 21, 2016

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

STATEMENT OF FINANCIAL POSITION

June 30, 2016

Assets

Cash and cash equivalents	\$ 607,847
Other assets	498
Total assets	<u>\$ 608,345</u>

Liabilities and Net Assets

Liabilities	<u>\$ -</u>
Total liabilities	<u>-</u>

Commitments and contingencies (Note 6)

Net assets:

Unrestricted	(17,955)
Temporarily restricted	<u>626,300</u>
Total net assets	<u>608,345</u>
Total liabilities and net assets	<u>\$ 608,345</u>

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

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Support and revenue:			
Contributions	\$ -	\$ 854,338	\$ 854,338
Administrative fee	37,282	-	37,282
Interest income	-	970	970
Net assets released from restriction	562,743	(562,743)	-
Total support and revenue	600,025	292,565	892,590
Operating expenses:			
Contributions to Miami-Dade County			
Public School programs	562,743	-	562,743
General and administrative	36,117	-	36,117
Total operating expenses	598,860	-	598,860
Increase in net assets	1,165	292,565	293,730
Net assets at beginning of year	(19,120)	333,735	314,615
Net assets at end of year	\$ (17,955)	\$ 626,300	\$ 608,345

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

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2016

Cash flows from operating activities:	
Increase in net assets	\$ 293,730
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Increase in other assets	(498)
Decrease in accounts payable	(788)
Net cash provided by operating activities	<u>292,444</u>
Cash flows from investing activities	<u>-</u>
Cash flows from financing activities	<u>-</u>
Net increase in cash and cash equivalents	292,444
Cash and cash equivalents, beginning of year	<u>315,403</u>
Cash and cash equivalents, end of year	<u><u>\$ 607,847</u></u>

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

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – ORGANIZATION

Magnet Educational Choice Association, Inc. (the "Association") is a not-for-profit corporation organized in accordance with Chapter 617, Florida Statutes and operated as a Miami-Dade County School Board (the "School Board") direct-support organization in accordance with Section 1004.453, Florida Statutes and School Board Rule 6Gx13-1B-1.08. The Association was incorporated in October 1991 for the main purpose of providing educational resources and advanced programs to the Magnet School Program in Miami-Dade County, Florida, and obtaining private sector involvement to provide funds for education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies followed in the accompanying financial statements are presented below:

Basis of Accounting

The accompanying financial statements of the Association have been prepared in conformity with U.S. generally accepted accounting principles.

Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) No. 958. Under FASB ASC No. 958, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted Net Assets* – represents resources which have met all applicable donor-imposed stipulations or those not subject to donor-imposed stipulations.
- *Temporarily Restricted Net Assets* – represents resources subject to donor-imposed stipulations that may be met either by actions of the Association and/or passage of time.
- *Permanently Restricted Net Assets* – represents resources subject to donor-imposed stipulations that must be permanently maintained by the Association. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for unrestricted or specific purposes. The Association had no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

(continued)

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Support and Revenue Recognition

The primary source of revenue for the Association consists of contributions which, absent of restrictions by donors, are considered unrestricted.

Income Taxes

The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements reflect no provision for income taxes.

Subsequent Events

Under FASB ASC, subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued or ready to be issued. The Association recognizes in the financial statements the effect of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including estimates inherent in the process of preparing the financial statements. The Association has evaluated the subsequent events through November 21, 2016, which is the date the financial statements were available to be issued, and concluded that no events or transactions occurred during that period which require recognition or disclosure.

Accounting for Uncertainty in Income Taxes

The FASB ASC interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on classification, interest and penalties, accounting in interim periods, disclosure, and transition.

This interpretation will require management of the Association to analyze all open tax years, as defined by the statute of limitation, for all major jurisdictions, which includes federal and states. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last three tax year ends and the interim tax period since then). The Association has no examination in progress.

Management believes that the Association is no longer subject to income tax examination by federal and state tax authorities for fiscal years prior to 2013.

(continued)

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Association generally pays for services requiring specific expertise. However, 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. Additionally, the Association's administrative offices are housed onsite at the School Board. Management is unable to estimate the value of rent for the space.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Association maintains its cash and cash equivalents accounts in one financial institution. Accounts are insured by National Credit Union Insurance Fund up to \$250,000. Management believes the Association is not exposed to any significant credit risk related to cash and cash equivalents.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

In accordance with accounting principles generally accepted in the United States of America, contributions received are recorded when made as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Revenue is recognized when earned and realizable. Approximately \$626,300 of contributions received through the year ended June 30, 2016 was temporarily restricted by donor-imposed stipulations and primarily include the following programs:

Academy of Hospitality and Tourism

Purpose: Open career opportunities in the tourism field; provide a solid college preparation education in the traditional academic subjects. The Academy partners with the National Academy Foundation (NAF) to provide the Senior High School programs with resources as well as opportunities for summer employment.

(continued)

**Magnet Educational Choice Association, Inc.
(A Direct Support Organization)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2016

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

JPMorgan Chase 2015-2016

Purpose: To support the Miami: National academy Foundation (NAF) JPMorgan Chase Scholars Youth Employment Program for Summer 2015 and Summer 2016. Students that are selected for the Summer Youth Employment Program are required to complete the requirements of the Program prior to receiving the predetermined stipend (\$500).

JPMorgan Chase Trade, Logistics and Cybersecurity Program

Miami-Dade County Public Schools has inaugurated new Academy Programs that will help students at Miami Central, Ronald Reagan/Doral and Alonzo & Tracy Mourning Senior High Schools gain skills to compete for jobs in Cybersecurity, Trade and Logistics. The selected schools will have classrooms retro fitted with state of the art technology and equipment utilizing the grant funds provided by JPMorgan Chase.

Office of Community Engagement

Purpose: Foster partnerships with community to enhance overall experience for students by visitations to major businesses within Miami-Dade County. Transportation for students is paid for by donations by some of those companies. Donations are also given to honor outstanding achievements by M-DCPS Assistant Principals each year.

Various Other Programs

There are numerous other programs that support the Association's purpose of providing educational resources and advanced programs to the Magnet School Program in Miami-Dade County, Florida, and obtaining private sector involvement to provide funds for education.

NOTE 5 – RELATED PARTY

The Association serves as administrator to the School District's magnet school programs private sector partnerships. Certain magnet schools partner with private sector donors to enhance the magnet programs serving the School District's students. Approximately, \$562,743 of related party transactions are included in contributions to Miami-Dade County Public Schools programs on the statement of activities.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The amounts received from certain donors are subject to audit and adjustment by the donor. Any disallowed amounts may constitute a liability of the Association. The amount, if any, of expenses that maybe disallowed by the donor cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

Supplementary Information

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

SCHEDULE OF RESTRICTED REVENUE AND EXPENSES

For the Year Ended June 30, 2016

	CA	Miami Beach Senior/SIC	Academy of Hospitality and Travel	JPM Trade Logistics	JPM 2015	JPM 2016	Office of Community Engagement	Various Other Programs	Total
Operating revenues:									
Contributions	\$ 37,117	\$ 39,159	\$ 53,943	\$ 230,000	\$ 97,750	\$ 125,000	\$ 92,963	\$ 178,406	\$ 854,338
Total operating revenues	37,117	39,159	53,943	230,000	97,750	125,000	92,963	178,406	854,338
Operating expenses:									
Awards	3,224	-	4,142	-	1,016	-	24,989	4,259	37,630
Bank service charges	-	-	-	-	-	-	-	130	130
Conferences and seminars	1,000	-	24,871	50	3,750	-	14,741	43,422	87,834
Fundraising	-	-	-	-	-	-	-	300	300
Parking	-	-	20	-	-	-	-	-	20
Photography	-	-	2,174	-	-	-	-	800	2,974
Postage and delivery	-	-	-	-	-	-	20	97	117
Printing and reproduction	-	-	1,512	-	-	-	3,550	16,216	21,278
Professional fees	450	-	-	48,071	150	-	100	2,200	50,971
Public relations	-	-	-	-	-	-	-	1,250	1,250
Miscellaneous	-	-	40	998	-	-	-	8,542	9,580
Scholarships	-	-	-	-	-	-	-	17,250	17,250
Stipends	-	-	880	-	82,500	-	-	62,054	145,434
Student events	6,289	33,676	21,872	-	725	-	31,807	38,231	132,600
Textbooks and materials	3,915	-	1,536	22,600	-	-	11,471	15,853	55,375
Total operating expenses	14,878	33,676	57,047	71,719	88,141	-	86,678	210,604	562,743
Change in restricted net assets	<u>\$ 22,239</u>	<u>\$ 5,483</u>	<u>\$ (3,104)</u>	<u>\$ 158,281</u>	<u>\$ 9,609</u>	<u>\$ 125,000</u>	<u>\$ 6,285</u>	<u>\$ (32,198)</u>	<u>\$ 291,595</u>

See accompanying note to the supplementary schedule.

**Magnet Educational Choice Association, Inc.
(A Direct Support Organization)**

**NOTE TO SCHEDULE OF RESTRICTED REVENUE
AND EXPENSES**

June 30, 2016

NOTE 1 – RESTRICTED NET ASSETS

Magnet Programs

The Association's responsibility is limited to acting as a depository for the programs included in the School Board's Magnet School Program. Monies received by each program are submitted to the Association for deposit into a bank account. Disbursements of funds by the Association to each program are performed upon receipt of proper authorization and supporting documentation from the respective program. The schedule of restricted revenue and expenses has been prepared on the accrual basis of accounting. The following are the major programs with funds deposited through the Association.

National Academy Foundation (NAF)

Purpose: To provide funds to cover release time for Academy Lead Teachers so that they can attend professionalization workshops throughout the school year. The funds are given to the Academy Senior High Schools to reimburse the schools for substitute days so that the teachers can attend the workshops.

Location: Division of Schools of Choice

Miami Beach Senior

Purpose: To support activities such as the Theatre Arts Program, Professional Diving Club (SCUBA Club), Musical Arts Program, and the Distributive Education Program so that the student can enhance their academic, as well as their class and club activities.

Location: Miami Beach Senior High School

Academy of Hospitality and Travel

Purpose: Open career opportunities in the tourism field; and provide a solid, college preparation education in the traditional academic subjects.

Location: Miami Springs Senior High School

(continued)

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

NOTE TO SCHEDULE OF RESTRICTED REVENUE
AND EXPENSES - CONTINUED

June 30, 2016

NOTE 1 – RESTRICTED NET ASSETS - Continued

Magnet Programs - Continued

MAST Academy

Purpose: Provide donors with a tax exempt vehicle in order to set up scholarships in the name of former students and staff of MAST. Scholarships are awarded by the school at the end of each school year.

Location: Maritime and Science Technology Senior High School

Academy for International Business and Finance

Purpose: Provide superior academic preparation for college-bound youths in the field of international business and finance; and stimulate the skills necessary for the development of tomorrow's business leaders.

Location: Miami Jackson Senior High School

Community Service Department/Office of Community Engagement

Purpose: To support student learning and stakeholder satisfaction through community support and partnerships.

Secondary Science Fairs

Purpose: Provide the District with the ability to collect and deposit funds for student registrations from District schools as well as private schools for yearly science fairs that are held at local colleges. Students from Elementary, K-8, Middle and Senior High Schools participate in these science fairs.

Location: Schools Board Administration Building Annex

(continued)

Magnet Educational Choice Association, Inc.
(A Direct Support Organization)

NOTE TO SCHEDULE OF RESTRICTED REVENUE
AND EXPENSES - CONTINUED

June 30, 2016

NOTE 1 – RESTRICTED NET ASSETS - Continued

Magnet Programs - Continued

School to Career (Stipends)

Purpose: This program was created for the general benefit of high school students attending any magnet school who are eligible to perform internships in a business related to their course of study. The Association received contributions from participating companies to pay stipends to those students who participate as interns in their business.

Various Other Programs

There are numerous other programs that are not shown individually in the accompanying schedule which support the Association's purpose of providing educational resources and advanced programs to the Magnet School Program in Miami-Dade County, Florida, and obtaining private sector involvement to provide funds for education.

Other Supplementary Information



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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**

To the Board of Directors of
Magnet Educational Choice Association, 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 of the United States, the financial statements of Magnet Educational Choice Association, Inc. (the "Association"), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2016.

Internal Control Over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

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

C. Bondar-Bryd, CPA LLC

Miami, Florida
November 21, 2016