BCEduventures, Inc. and Subsidiary

Consolidated Financial Statements
For the Year Ended December 31, 2021

Keefe McCullough
CPA's + Trusted Advisors

BCEduventures, Inc. and Subsidiary

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For the Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
BCEduventures, Inc. and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of BCEduventures, Inc. and Subsidiary (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risk of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2022, on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 12, 2022

CONSOLIDATED
FINANCIAL STATEMENTS

BCEduventures, Inc. and Subsidiary
Consolidated Statement of Financial Position
December 31, 2021

Assets:		
Cash and cash equivalents	$	1,625,615
Accounts receivable		93,954
Promises to give, net		152,569
Total assets	$	1,872,138
Liabilities:		
Accounts payable and accrued expenses	$	399,975
Deferred revenue		41,851
Customer deposits		70,000
Total liabilities		511,826
Net Assets:		
Without donor restrictions:		
Undesignated		912,984
With donor restrictions:		
Purpose and time restrictions		447,328
Total net assets		1,360,312
Total liabilities and net assets	$	1,872,138

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

BCEduventures, Inc. and Subsidiary
Consolidated Statement of Activities
For Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:			
Rentals	$ 728,714	$ -	$ 728,714
Federal grants	443,033	-	443,033
Contributions	-	13,372	13,372
In-kind contributions	10,848	-	10,848
Other revenues	1,129	-	1,129
Royalties	932	-	932
Net assets released from restrictions	20,941	(20,941)	-
Total support and revenues	1,205,597	(7,569)	1,198,028
Expenses:			
Program services	702,446	-	702,446
Supporting services:			
Management and general	71,616	-	71,616
Total expenses	774,062	-	774,062
Change in net assets	431,535	(7,569)	423,966
Net Assets, January 1, 2021	481,449	454,897	936,346
Net Assets, December 31, 2021	$ 912,984	$ 447,328	$ 1,360,312

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

BCEduventures, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
For Year Ended December 31, 2021

	Program Services	Management and General	Total Expenses
Rental revenue share	$ 356,860	$ -	$ 356,860
Payroll costs	299,162	9,252	308,414
Professional services	8,533	26,230	34,763
Commissions	6,000	-	6,000
In-kind facility use	10,321	527	10,848
Event operations, scholarships	20,299	-	20,299
Merchant and bank fees	-	2,541	2,541
Travel and entertainment	1,011	-	1,011
Advertising and marketing	160	-	160
Office, postage, and printing	-	555	555
Provision for doubtful accounts	-	32,511	32,511
Dues and subscriptions	100	-	100
Total expenses by function	$ 702,446	$ 71,616	$ 774,062

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

BCEduventures, Inc. and Subsidiary
Consolidated Statement of Cash Flows
For Year Ended December 31, 2021

Cash Flows from Operating Activities:		
Change in net assets	$	423,966
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Provision for doubtful accounts		32,511
Interest income on convertible notes receivable		(807)
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable		(14,543)
Promises to give, net		16,628
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses		197,966
Deferred revenue		33,251
Customer deposits		70,000
Net cash provided by (used in) operating activities		758,972
Net increase (decrease) in cash and cash equivalents		758,972
Cash and Cash Equivalents, January 1, 2021		866,643
Cash and Cash Equivalents, December 31, 2021	$	1,625,615

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

Note 1 - Organization and Operations

BCEduventures, Inc. ("BCEd") began operations on July 1, 2017 to serve as a Type 1 supporting organization to The District Board of Trustees of Broward College, Florida ("Broward College"), a tax-exempt public charity under section 501 (c)(3). BCEd was established to receive, hold, invest, administer gifts, and other sources of revenue; and to make expenditures to, or for the benefit of Broward College.

Broward College, through BCEd, launched the J. David Armstrong, Jr. Student Venture Fund, led by President Emeritus Armstrong for the benefit of Broward College students who aspire to be successful entrepreneurs. The goal is to help student entrepreneurs convert their ideas into successful businesses. The Student Venture Fund provides venture funding to these student-led startups. During 2019, BCEd formed the J. David Armstrong, Jr. Student Venture Fund, LLC (the "Student Venture Fund"), a single member limited liability company, to operate the fund.

Most recently, the College launched its Broward College Entrepreneurship Experience (BCEX) - Business Accelerator. BCEx aims to effectuate a culture shift that spreads the innovation-learning process across the entire college, including faculty, staff, students, and beyond. BCEx helps participants innovate, create, and prepare for the future of work through mentorship, coaching, funding, and training.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

Principles of consolidation: The consolidated financial statements include the accounts of BCEd and the Student Venture Fund (collectively the "Organization"). All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of presentation: The financial statement presentation follows the guidance of the Financial Accounting Standards Board in its Accounting Standards Update (FASB ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU No. 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restriction* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Note 2 - Summary of Significant Accounting Policies (continued)

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Any contribution not specifically restricted by the donor or subject to other legal restrictions is considered available for general use.

Revenue and revenue recognition: The Organization recognizes grants and contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met or explicitly waived. Assets received before the barriers are overcome are accounted for as refundable advances. As of December 31, 2021, there are no conditional promises to give.

Revenue from rentals and sponsorships is recognized over the term of the agreement as the benefits are provided unless the revenue is associated with a specific event, in which case it is recognized when the event occurs. Revenue from ticket sales is recognized when the event occurs. Other revenues from products and services, including royalties, are recognized as income when the performance obligation of transferring the products and providing the services are met. Amounts received in advance are deferred to the applicable period. Noncash contributions are recorded at their estimated fair value on the date received.

Cash and cash equivalents: Cash equivalents consist of all highly liquid investments with an original maturity of three months or less. The Organization routinely maintains balances with financial institutions in excess of federally insured amounts (Note 4).

Accounts receivable: Receivables consist of charges to customers for rent of facilities and other services. No allowance for doubtful accounts was considered necessary by management.

Promises to give: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques based on a risk-free rate of return. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statement of activities. The allowance for uncollectable promises to give are determined based on historical experience, an assessment of economic conditions, a review of subsequent collections, and an analysis of the current collectability of individual accounts. Promises to give are written off when deemed uncollectable.

Deferred revenue: Contract liabilities are reported as deferred revenue in the accompanying consolidated statement of financial position and represent resources received before revenue has been earned, which included sponsorships, rentals, and ticket sales collected in advance. Deferred revenue as of December 31, 2020 was approximately $ 8,600.

Customer deposits: Refundable security deposits held on behalf of tenants for the use of leased facilities are recorded as a liability.

Note 2 - Summary of Significant Accounting Policies (continued)

Functional allocation of expenses: The costs of providing the various program and supporting services have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by functions. Expenses that can be directly identified with a program or supporting service are charged accordingly. The consolidated financial statements report certain categories of expenses that are attributed to more than one function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses, including payroll, in-kind facility use, and others, which are allocated based on estimates of time and effort and other methods as determined by management.

Use of estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") 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 the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. It is at least reasonably possible that the significant estimates used will change within the next year.

Date of management review: Subsequent events have been evaluated by management through September 12, 2022 which is the date the consolidated financial statements were issued.

Note 3 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date ending December 31, 2021, comprise the following:

Financial Assets:		
Cash and cash equivalents	$	1,625,615
Accounts receivable		93,954
Promises to give, net		152,569
Financial assets, at year end		1,872,138
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions		447,328
Financial assets available to meet cash needs for general expenditures within one year	$	1,424,810

Note 4 - Concentrations of Credit Risk

The Organization maintains its cash and cash equivalents with high credit quality financial institutions. Cash balances may exceed the depositor's insurance provided by the applicable guarantee agency during the period. At December 31, 2021, demand deposits in financial institutions exceeded the insured amount by the applicable guaranty agency by approximately $ 1,112,000. The Organization has not experienced any losses in such accounts.

Credit risk with respect to contributions, accounts, and convertible notes receivables is believed by management to be limited due to the number and credit worthiness of the entities and individuals who comprise the contributor/customer base. Contributions, accounts, and convertible notes receivables are stated at the amount management expects to collect from outstanding balances. These balances are unsecured. The Organization establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers/donors, historical trends, and other information. As of December 31, 2021, three customers account for approximately 44% of accounts receivable, and four donors account for approximately 91% of the promises to give.

Note 5 - Promises to Give

Promises to give include unconditional promises to give from individuals and corporations, which are summarized as follows as of December 31, 2021:

Receivable in less than one year	$ 115,000
Receivable in one to five years	66,000
Receivable in greater than five years	1,000
Total unconditional pledges at face value	182,000
Less: allowance for doubtful accounts	(24,750)
Less: unamortized discount	(4,681)
	$ 152,569

Promises are recorded at their net present value. The discount rates ranged from 2.50% to 3.00%.

Note 6 - Income Taxes

BCEd is a nonprofit corporation exempt from federal income taxes under Internal Revenue Code Section 501(a) as an organization described in Section 501(c)(3). Student Venture Fund is a Florida limited liability company wholly owned by BCEd. This limited liability company is treated as a disregarded entity for Federal and state income tax purposes and exists to further enhance BCEd's 501(c)(3) nonprofit status. Management has evaluated the unrelated business income tax implications and believes that the effects, if any, are immaterial to the Organization's consolidated financial statements. Accordingly, no provision for income taxes has been made.

Note 7 - Convertible Notes Receivable

The Student Venture Fund has invested in two convertible notes receivable. Each note is recorded at the principal face amount of $ 7,500 plus accrued interest of approximately $ 800, respectively, at December 31, 2021. The notes bear interest at an annual rate of 5.00% and matured in November 2021. No payments were required until maturity. Principal and unpaid interest may be converted to shares of preferred stock on or prior to maturity upon the sale of preferred stock with the purpose of raising capital (automatic conversion) as part of a qualified financing; or to shares of common stock (a) upon a change in control of the company and/or sale of all or substantially all assets; or (b) at the election of the Student Venture Fund on maturity of the note. The conversion price for preferred stock is the lower of (i) 80% of the price paid by in the sale or (ii) the price obtained by dividing a $ 1,000,000 valuation cap by the fully diluted number of shares as of the closing of the qualified financing. The conversion price for common stock is the price obtained by dividing a $ 500,000 valuation cap by the fully diluted number of shares immediately prior to a change in control, sale of assets, or maturity date of the note, depending upon the basis of conversion. At December 31, 2021, the notes were outstanding and management elected to record an allowance for the entire principal balance of the notes, plus all outstanding accrued interest.

Note 8 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2021:

Subject to expenditure for specified purpose:		
Student Venture Fund	$	294,759
Unconditional promises to give, net that are restricted by donors for:		
Student Venture Fund		152,569
	$	447,328

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the period ended December 31, 2021:

Satisfaction of purpose restrictions or time restrictions:		
Student Venture Fund	$	20,941

Note 9 - In-kind Contributions

The Organization’s policy is to recognize in-kind services and facility use when donated as revenue at estimated fair value, in the period such contributions are received. Contributed professional services, are recognized if the services create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills. For the period ended December 31, 2021, the Organization recorded approximately $ 11,000 related to the use of donated facilities.

Note 10 - Related Party Transactions

The Organization is a direct-support organization of Broward College (Note 1). The following is a schedule of balances and transactions with Broward College as of and for the year ended December 31, 2021, which are included in the consolidated statement of activities and functional expenses:

Revenue share	$	351,944
Payroll		308,414
In-kind facility use (Note 9)		10,848
Total	$	671,206

As of December 31, 2021, there were accounts payable and accrued expenses due to Broward College totaling approximately $ 400,000.

Previously, the Organization negotiated a ten-year operating lease agreement on behalf of the College with the Fort Lauderdale Children's Theatre, Inc. ("Florida Children's Theatre"). Under the terms of the agreement, annual base rent ranging from approximately $ 88,000 to $ 115,000, plus common area maintenance. The agreement provides for an extension for an additional ten-years.

In addition, the Organization receives financial support from various members of the Board of Directors or their affiliated organizations.

INTERNAL CONTROLS AND COMPLIANCE

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
BCEduventures, Inc. and Subsidiary

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 consolidated financial statements of BCEduventures, Inc. and Subsidiary (a nonprofit organization) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 12, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 consolidated 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Management's Responses as items 2021-001 and 2021-002 that we consider to be material weaknesses.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated financial statements. 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*.

The Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Management's Responses. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 12, 2022

Section I - Current Year - Material Weaknesses

2021-001 - Prepare Financial Statements in Accordance with U.S. GAAP and Significant Adjustments

Condition and Criteria: Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Adjustments were required to be made to the accounting records subsequent to the start of the audit process to be in accordance with U.S. GAAP.

Cause and Effect: Due to recent turnover within the management of the Organization and functions, the Organization's accounting policies and procedures did not allow for certain revenues and expenses to be recorded to the appropriate period in accordance with U.S. GAAP which resulted in material audit adjusting entries.

Recommendation: We recommend that the Organization continues to implement cross-training procedures and improve communication with external accountants and Broward College (the "College") to ensure that all accounting functions, and year end closing procedures, are performed timely and accurately. In addition, we recommend that the Organization reviews its accounting policies and procedures manual for all key accounting processes and enhance its monitoring and review process.

Management's Response:

The year 2021 was a challenging year, given managerial as well as administrative changes. Through the year we changed CEO's twice, our administrative assistant left and was rehired as a contracted worker, we changed bookkeeping accounting firms and we still managed to have a great financial year. Within the changes, the current bookkeeping accounting firm was mostly keeping our records on a cash basis accounting model rather than using accrual basis. This has since changed as we are currently recognizing expenses when a liability is incurred and revenues when earned, regardless of the timing of the related cash flow. Cross-training and communication efforts within the staff and other members of the College have also helped in the accountability of collecting funds owed to the organization quicker and more efficient. We continue to improve given our current circumstance to ensure that, with College help, the Organization continues to be a thriving entity. We are also in the process of updating the policies and procedures to ensure that we document the current model of doing business.

2021-002 - Review Corporate Governance and Structure

Condition and Criteria: The Organization's Board of Directors did not have regular formal meetings during the year and there was turnover in key management positions. In addition, the Organization lacks a written operational plan.

Cause and Effect: The lack of formal written Board approval and documentation of important actions could lead to the improper recording of transactions without being timely detected. A well-developed operational plan can be beneficial to the Organization as it continues to expand and seeks additional funds; and can provide management with clearly defined goals and responsibilities.

Recommendation: We recommend that the Board of Directors institute formal meetings, appoint an individual to be responsible for recording the minutes, and to clearly document discussion topics and related decisions/approvals. Additionally, we recommend that the Board of Directors consider developing and/or updating an operational plan.

Section I - Current Year - Material Weaknesses (continued)

Management's Response:

We have implemented regular quarterly meetings with our first meeting held during September 2022. These quarterly meetings have also been scheduled for the calendar year of 2023. They will assign a responsible individual to advertise, record and to maintain minutes for the meetings. A draft organizational plan will be prepared for the Board of Directors to review for input and approval on or before the first quarterly meeting of 2023. The Organization has had a strong financial year despite management turnover and market challenges with net positive revenues and controlled expenses. The Organization plans to implement enhanced operational goals, along with Board and College input, which will help contribute to growing revenues, while improving corporate governance and structure.

Section II - Prior Year - Findings

There were no findings in the prior year.