



**Foundation for New Education
Initiatives, Inc.**

Financial Statements
Year Ended June 30, 2021

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

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Independent Auditor's Report

To the Board of Directors
Foundation for New Education Initiatives, Inc.

Opinion

We have audited the financial statements of Foundation for New Education Initiatives, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 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 ("GAAS") 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 Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 February 25, 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 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 Organization's internal control over financial reporting and compliance.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Cash and cash equivalents	\$ 6,049,499
Accounts receivable	<u>14,276</u>
TOTAL ASSETS	<u>\$ 6,063,775</u>

LIABILITIES AND NET ASSETS

Refundable advance	<u>\$ 1,875,000</u>
TOTAL LIABILITIES	1,875,000

COMMITMENTS AND CONTINGENCIES (NOTE 7)

NET ASSETS

Without donor restrictions	397,965
With donor restrictions	<u>3,790,810</u>
TOTAL NET ASSETS	<u>4,188,775</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,063,775</u>

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

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 1,230,096	\$ 2,326,035	\$ 3,556,131
Grants	2,109,663	-	2,109,663
Special events, net	10,298	-	10,298
Interest income	2,489	-	2,489
Donated use of facilities	60,236	-	60,236
Gain on forgiveness of Paycheck Protection Program Loan	30,675	-	30,675
Net assets released from restrictions	579,712	(579,712)	-
TOTAL REVENUE AND SUPPORT	4,023,169	1,746,323	5,769,492
EXPENSES			
Program services:			
Youth programs	3,973,070	-	3,973,070
Supporting services:			
Management and general	78,579	-	78,579
Fundraising	35,028	-	35,028
TOTAL EXPENSES	4,086,677	-	4,086,677
CHANGE IN NET ASSETS	(63,508)	1,746,323	1,682,815
NET ASSETS BEGINNING OF YEAR	461,473	2,044,487	2,505,960
NET ASSETS END OF YEAR	\$ 397,965	\$ 3,790,810	\$ 4,188,775

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

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Supporting Services			Total Expenses
	Program Expenses	Management and General	Fundraising	
PAYROLL AND RELATED COSTS				
Salaries	\$ 65,199	\$ 59,549	\$ 32,599	\$ 157,347
Payroll taxes and employee benefits	4,858	4,438	2,429	11,725
Total payroll and related costs	70,057	63,987	35,028	169,072
Youth programs	2,227,587	-	-	2,227,587
Schools support	611,327	-	-	611,327
Family and school assistance	808,695	-	-	808,695
Scholarships	108,713	-	-	108,713
Professional fees	23,742	1,250	-	24,992
Advertising and promotion	14,934	747	-	15,681
Office supplies	25,878	5,101	-	30,979
Technology	27,925	1,470	-	29,395
Donated use of facilities	54,212	6,024	-	60,236
Total expenses	\$ 3,973,070	\$ 78,579	\$ 35,028	\$ 4,086,677

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

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021
<hr/>	
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 1,682,815
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Gain on forgiveness of Paycheck Protection Program loan	(30,675)
Decrease in operating assets:	
Accounts receivable	123,720
Increase in operating liabilities:	
Accounts payable and accrued expenses	(39,738)
TOTAL ADJUSTMENTS	<u>53,307</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,736,122</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,736,122
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,313,377</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 6,049,499</u>
Supplemental disclosure of non-cash financing activities:	
Forgiveness of Paycheck Protection Program Loan	<u>\$ 30,675</u>

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

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

1. ORGANIZATION

Foundation for New Education Initiatives, Inc. (the "Organization"), is a not-for-profit corporation incorporated under the laws of the state of Florida in April 2008 and began operations on November 24, 2008. The Organization seeks to enhance student achievement and community engagement in support of educational initiatives of Miami-Dade County Public Schools. The Organization supports initiatives such as the Summer Youth Internship Program, the Together for Children Program, the Cultural Passport Program and other youth programs as follows:

Summer Youth Internship Program – A collaboration between the Organization, Miami-Dade County, The Children's Trust, Miami-Dade County Public Schools, Career Source South Florida, Royal Caribbean Cruise Line, and JP Morgan Chase to provide paid summer internships for youth across Miami-Dade County. This five-week program matches students with employers and provides instructional coaches, orientations and online training for students, parents and employers.

Together for Children Program – This program creates data driven neighborhood action plans to prevent youth violence. The program is an innovative collaboration between government, education, business, law enforcement and justice entities, along with community-based Foundations, faith-based institutions, and individuals within the Miami-Dade community.

Cultural Passport Program – An education initiative in partnership with various art and cultural institutions to provide all Miami-Dade County K-12 students with a different age-appropriate cultural experience each school year. Support is provided for transportation, venue admission fees, curriculum and professional development and other operational needs.

College Assistance Program – The College Assistance Program ("CAP") is an advisory program within Miami-Dade County Public Schools which provides full-time services in senior high schools. The CAP program's advisors guide students and their parents through the college admission and financial aid processes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities. As of June 30, 2021, the Organization did not have any net assets with donor restrictions that are perpetual in nature.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization places its cash and cash equivalents with highly rated financial institutions, and, by policy, limits the amount of credit exposure to any one institution. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced any losses in such accounts. During the year ended June 30, 2021, amounts exceeding the federally insured limits totaled approximately \$5,549,000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Liquidity

Assets are presented in the accompanying Statement of Financial Position according to their nearness of conversion to cash and liabilities to their nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents totaled approximately \$525,000 for the year ended June 30, 2021.

Revenue Recognition – Contributions and Grants

Transfers of cash or other assets or settlements of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their net realizable values and are reported as revenue. Contributions are considered to be available for general operations of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

Grants are evaluated as to whether they qualify as exchange transactions or contributions as defined by U.S. GAAP. Grants that primarily provide commensurate value to the general public are reported as contributions and recognized as the eligible grant activities are conducted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – Exchange Transactions

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which entities expect to be entitled in exchange for those goods or services. The ASU also requires additional disclosure to enable readers of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted ASU 2014-09, along with all subsequent amendments (collectively, ASC 606) as of July 1, 2020 under the modified retrospective method. ASC 606 applies to the exchange portion of the Organization’s special event revenue. There was no cumulative impact of adoption of ASC 606 to the financial statements, thus no adjustment to the opening balance of net assets was recorded. In addition, there was no material change in the Organization’s pattern of recognition of special event revenue as a result of the adoption of ASC 606.

The exchange portion of special events revenue represents the fair value of goods and services provided and is recognized at the point in time when the event takes place with any amounts received in advance of the event recognized as deferred revenue. The contribution portion of special events revenue is also considered conditional upon the occurrence of the event and is therefore recognized when the event takes place unless the donor has waived the right to a refund, in which case revenue is recognized when received. Contributions received in advance of the event with no waived right of refund are recognized as refundable advances. As of June 30, 2021, there were no refundable advances as a result of special events.

In-Kind Contributions

In-kind contributions are recognized at the estimated fair value of the contributions received. The Organization’s main office is located within the Miami-Dade County School Board building and is donated to the Organization for its use. The Organization has recognized the estimated market value of the space based on square footage to be approximately \$60,000 as of June 30, 2021 and has been reflected as “donated use of facilities” in the accompanying Statement of Activities.

Concentrations

Approximately 40% and 100% of the Organization’s total revenue and refundable advance, respectively, for the year ended June 30, 2021 came from Miami-Dade County grants.

Functional Expenses

The costs of providing various programs and other activities of the Organization are, for the most part, separately identifiable. However, certain costs have been allocated among the various functions in the Statement of Functional Expenses based on management’s estimate of the costs related to each function. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among program and supporting services based on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimated time and effort.

Income Taxes

The Organization is a not-for-profit corporation whose revenue is derived from contributions and other fund-raising activities and is not subject to federal or state income taxes. The Organization is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code and under similar provisions under the Florida Income Tax Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the consolidated statements of financial position. The Organization has not recognized a liability for uncertain tax positions. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The U.S. Federal jurisdiction and the State of Florida jurisdiction are the major tax jurisdictions where the Organization files income tax returns. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2018.

Adopted Accounting Pronouncements

Revenue from Contracts with Customers

The Organization adopted ASC Topic 606 beginning July 1, 2020, using the cumulative-effect adoption method. Under Topic 606, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the update requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization determined that the adoption of Topic 606 did not have a material effect on beginning net asset balances because revenue is recognized as services are provided under both the current and prior accounting rules and as such no cumulative-effect adjustment in net assets was recorded as a result of the adoption of Topic 606.

Recent Accounting Pronouncements

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is evaluating the impact on its financial statements of adopting this guidance.

Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to June 30, 2021 as of February 25, 2022, which is the date the financial statements were available to be issued. Subsequent events occurring after February 25, 2022 have not been evaluated by management. No material events have occurred since June 30, 2021, that require recognition or disclosure in the financial statements.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization considers all expenditures related to its ongoing activities to accomplish its mission as well as the conduct of services undertaken to support those activities to be general expenditures.

The Organization's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows as of June 30:

	2021
Cash and cash equivalents	\$ 6,049,499
Accounts receivable	14,276
Total financial assets	<u>6,063,775</u>
Less amounts not available to be used within one year or without board approval:	
Donor purpose restrictions	<u>3,790,810</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 2,272,965</u>

4. REFUNDABLE ADVANCE

The Organization's refundable advance consists of the following at June 30, 2021:

Miami-Dade County - Summer Youth Internship Program	<u>\$ 1,875,000</u>
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5. NET ASSETS

Net assets with donor restrictions consist of the following as of June 30, 2021:

Youth Programs	\$ 2,288,410
Virtual learning teacher stipends (NOTE 8)	<u>1,502,400</u>
	<u>\$ 3,790,810</u>

During the year ended June 30, 2021, net assets totaling approximately \$580,000 were released from donor restrictions due to the accomplishment of youth program purpose restrictions.

FOUNDATION FOR NEW EDUCATION INITIATIVES, INC.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

6. COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in global exposure.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer-side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by the COVID-19 outbreak.

The Organization applied for, and received, funds under the PPP in the amount of \$30,675 on April 30, 2020. The Organization accounted for this loan in accordance with ASC 470, *Debt*. Under this guidance, a liability is derecognized upon repayment to the creditor or upon legal release. Legal release occurs upon confirmation of forgiveness from the SBA, at which time the liability will be released and recorded as income. On April 6, 2021, the Organization was notified by the creditor that the entire unpaid principal balance of \$30,675 was forgiven by the SBA, which is reflected as loan forgiveness revenue on the accompanying Statement of Activities for the year ended June 30, 2021. The Organization continues to examine the impact that the CARES Act may have on its business and currently does not expect the CARES Act will have a significant impact on its financial condition, results of operation, or liquidity.

7. COMMITMENTS AND CONTINGENCIES

Contingencies

Certain programs in which the Organization participates are subject to periodic audits by the granting agencies. Such audits may subject grant programs to compliance tests that may result in disallowed costs. In the opinion of management, future disallowances of grant expenditures, if any, would not have a material adverse effect on the financial condition of the Organization.

Litigation

The Organization may be party to legal proceedings, investigations, and claims in the ordinary course of its business. The Organization records accruals for outstanding legal matters when it believes, along with legal counsel, it is probable that a loss will be incurred, and the amount can be reasonably estimated. If a loss contingency is not both probable and estimable, the Organization does not establish an accrued liability. Management does not believe there is any litigation against the Organization other than routine matters arising out of the normal course of activities, all of which are expected to be covered by liability insurance, and none of which are expected to have a material adverse effect on the financial statements.

8. SUBSEQUENT EVENT – VIRTUAL LEARNING TEACHER STIPENDS

During the year ended June 30, 2021, the Organization received a contribution from a donor totaling approximately \$1,500,000. The purpose of the contribution was to recognize Miami-Dade public school teachers who faced challenges as a result of the remote learning environment due to COVID-19. The stipends, which were awarded to the teachers in the form of individual gift cards subsequent to year end, totaled approximately \$1,500,000 and have been reflected as “net assets with donor restrictions” on the accompanying statement of financial position.



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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
Foundation for New Education Initiatives, 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 Foundation for New Education Initiatives, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 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 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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.

Miami, Florida
February 25, 2022

BDO USA, LLP
Certified Public Accountants