

**SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES,
SUPPLEMENTAL COMBINING INFORMATION, AND SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS AND FLORIDA STATE
FINANCIAL ASSISTANCE**

SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2016

	Research	General and Administrative	Fund-Raising	Total Expenses
Salaries and wages	\$ 48,209,000	\$12,134,000	\$1,050,000	\$ 61,393,000
Fringe benefits	12,780,000	3,115,000	241,000	16,136,000
Operations and maintenance	12,375,000	1,475,000	112,000	13,962,000
Depreciation	11,389,000	1,232,000	90,000	12,711,000
Research supplies and services	11,421,000			11,421,000
Equipment and minor equipment	6,066,000	83,000	3,000	6,152,000
Interest	4,366,000	408,000	40,000	4,814,000
Professional fees and services	1,412,000	2,579,000	18,000	4,009,000
Consortiums	3,864,000			3,864,000
Other supplies and services	2,559,000	454,000	86,000	3,099,000
Printing and publications	1,082,000	247,000	21,000	1,350,000
Conferences and meetings	943,000	261,000	21,000	1,225,000
Miscellaneous	113,000	383,000	123,000	619,000
Travel	470,000	88,000	8,000	566,000
Recruitment and relocation	250,000	279,000	14,000	543,000
Postage and shipping	108,000	12,000	3,000	123,000
Realized loss on interest rate swap		362,000		362,000
Total	<u>\$117,407,000</u>	<u>\$23,112,000</u>	<u>\$1,830,000</u>	<u>\$142,349,000</u>

SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

SUPPLEMENTAL COMBINING STATEMENT OF FINANCIAL POSITION INFORMATION AS OF JUNE 30, 2016

	Florida	California	Eliminations	Total
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 23,487,000	\$ 4,137,000	\$ -	\$ 27,624,000
SHORT-TERM INVESTMENTS	22,167,000	232,197,000		254,364,000
GRANTS RECEIVABLE	1,310,000	5,087,000		6,397,000
PREPAID AND OTHER ASSETS AND RECEIVABLES—Net	3,048,000	8,072,000		11,120,000
USE OF LONG-LIVED ASSETS	2,649,000			2,649,000
PLEDGES RECEIVABLE—Net	497,000	53,870,000		54,367,000
INTERCOMPANY RECEIVABLE—Net	1,711,000		(1,711,000)	
PROPERTY—Net	73,996,000	65,168,000		139,164,000
LONG-TERM INVESTMENTS	<u> </u>	<u>21,373,000</u>	<u> </u>	<u>21,373,000</u>
TOTAL	<u>\$ 128,865,000</u>	<u>\$ 389,904,000</u>	<u>\$(1,711,000)</u>	<u>\$ 517,058,000</u>
 LIABILITIES AND NET ASSETS				
LIABILITIES:				
Accounts payable, accrued expenses, and other liabilities	\$ 2,141,000	\$ 16,521,000	\$ -	\$ 18,662,000
Intercompany payable—net		1,711,000	(1,711,000)	
Deferred revenue	2,067,000	122,725,000		124,792,000
Debt	<u> </u>	<u>64,408,000</u>	<u> </u>	<u>64,408,000</u>
Total liabilities	<u>4,208,000</u>	<u>205,365,000</u>	<u>(1,711,000)</u>	<u>207,862,000</u>
 NET ASSETS:				
Unrestricted	48,544,000	90,444,000		138,988,000
Temporarily restricted	76,113,000	80,068,000		156,181,000
Permanently restricted	<u> </u>	<u>14,027,000</u>	<u> </u>	<u>14,027,000</u>
Total net assets	<u>124,657,000</u>	<u>184,539,000</u>	<u>-</u>	<u>309,196,000</u>
TOTAL	<u>\$ 128,865,000</u>	<u>\$ 389,904,000</u>	<u>\$(1,711,000)</u>	<u>\$ 517,058,000</u>

SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

**SUPPLEMENTAL COMBINING STATEMENT OF ACTIVITIES INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016**

	Florida			California			2016 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES:							
Federal grants and contracts	\$ 8,168,000	\$ -	\$ -	\$ 53,647,000	\$ -	\$ -	\$ 61,815,000
Private and other government grants	4,644,000			13,707,000			18,351,000
Contributions	1,926,000	1,307,000		797,000	29,948,000	12,000	33,990,000
Investment returns designated for current operations	137,000	151,000		2,024,000	432,000		2,744,000
Royalties, rent revenue, and other	1,864,000			3,292,000			5,156,000
Net assets released from restrictions	22,146,000	(22,146,000)		32,570,000	(32,570,000)		-
Total revenues	38,885,000	(20,688,000)	-	106,037,000	(2,190,000)	12,000	122,056,000
EXPENSES:							
Research	30,938,000			86,469,000			117,407,000
General and administrative	6,567,000			16,545,000			23,112,000
Fund-raising	439,000			1,391,000			1,830,000
Total expenses	37,944,000	-	-	104,405,000	-	-	142,349,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	941,000	(20,688,000)	-	1,632,000	(2,190,000)	12,000	(20,293,000)
INVESTMENT RETURN REDUCED BY THE PORTION OF CUMULATIVE NET APPRECIATION DESIGNATED FOR CURRENT OPERATIONS							
				(2,409,000)	(433,000)		(2,842,000)
CHANGE IN NET ASSETS	941,000	(20,688,000)	-	(777,000)	(2,623,000)	12,000	(23,135,000)
NET ASSETS—Beginning of year	47,603,000	96,801,000		91,221,000	82,691,000	14,015,000	332,331,000
NET ASSETS—End of year	\$48,544,000	\$76,113,000	\$ -	\$90,444,000	\$80,068,000	\$14,027,000	\$309,196,000

SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND FLORIDA STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

Program Title/Federal Grantor/Pass-Through Grantor	CFDA Number	Pass-Through Grant or Contract Number	Expenditures
RESEARCH AND DEVELOPMENT			
U.S. Department of Health and Human Services:			
National Institutes of Health:			
Direct Program (\$3,457,925 passed through to other organizations)	93.RD		<u>\$ 48,139,664</u>
Passed through from other organizations:			
Adventist Health System Sunbelt	93.866	K01 AG044437	34,366
Buck Institute for Research on Aging	93.866	R21 AG041456	951
California Institute of Technology	93.859	U54 GM094610	249
Duke University	93.866	R01 AG046171	37,892
Duke University	93.866	RF1 AG051550	5,997
EnduRx Pharmaceuticals	93.395	R44 CA 183287	181,469
Henry Ford Health Systems	93.837	R01 HL103871	(46)
La Jolla Institute Allergy and Immunology	93.310	R01 DK106233	48,750
La Jolla Institute for Allergy and Immunology	93.847	R01 DK106233	335,301
Mayo Clinic	93.853	R01 NS083937	70,613
Mayo Clinic	93.395	R01 CA193382	277,643
Mayo Clinic	93.397	P50 CA108961	10,058
Mayo Clinic	93.310	R01 DK103850	218,446
Mount Sinai School of Medicine	93.855	U19 AI106754	728,353
Mount Sinai School of Medicine	93.855	U19 AI118610	266,717
Mount Sinai School of Medicine	93.233	R01 HL128072	406,473
Northwestern University	93.279	R01 DA033773	112,072
OyaGen Inc.	93.859	R01 GM110119	335,099
Rush University Medical Center	93.847	R01 DK106512	206,778
Salk Institute for Biological Studies	93.855	P01 AI090935	(3,165)
San Diego Biomedical Research	93.396	R01 CA185349	21,614
San Diego State University Research Foundation	93.866	R21 AG049454	76,505
The Scripps Research Institute	93.RD	U54 GM094586	10,379
The Scripps Research Institute	93.855	UM1 AI100663	509,161
The Scripps Research Institute	93.859	R01 GM115170	187,417
Translational Genomics Research	93.394	U01 CA168397	183,985
Translational Genomics Research	93.395	R01 CA177796	76,554
University of California, Davis	93.859	R01 GM079383	72,651
University of California, Los Angeles	93.393	R01 GM077190	320
University of California, Los Angeles	93.859	P01 CA177322	716,714
University of California, San Diego	93.395	P01 CA081534	37,199
University of California, San Diego	93.279	P50 DA026306	347,378
University of California, San Diego	93.242	R01 MH087989	235,802
University of California, San Diego	93.233	P01 HL098053	(3,240)
University of California, San Diego	93.859	P50 GM085764	341,991
University of California, San Diego	93.846	P30 AR061303	183,158
University of California, San Diego	93.853	R01 NS073653	10,155
University of California, San Diego	93.121	R01 DE022757	223,920
University of California, San Diego	93.846	R01 AR064202	88,526
University of California, San Diego	93.855	R01 AI104916	171,079
University of California, San Diego	93.286	P41 EB0002031	66,864
University of California, San Diego	93.113	R01 ES017462	(142,168)

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SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND FLORIDA STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2016

Program Title/Federal Grantor/Pass-Through Grantor	CFDA Number	Pass-Through Grant or Contract Number	Expenditures
RESEARCH AND DEVELOPMENT (Continued)			
Passed through from other organizations (continued):			
University of California, San Diego	93.242	P30 MH062512	\$ 17,011
University of California, San Diego	93.350	UL1 TR001442	1,617
University of California, Santa Barbara	93.859	R01 GM097114	60,704
University of Colorado, Denver	93.853	R01 NS086956	38,229
University of Connecticut	93.395	R01 CA190617	72,733
University of Florida	93.310	U24 DK097209	166,322
University of Florida	93.121	R01 DE023641	8,753
University of Massachusetts	93.859	R01 GM110288	34,396
University of Michigan	93.121	R01 DE025827	29,429
University of New Mexico	93.859	P50 GM085273	54,923
University of Texas MD Anderson Cancer Center	93.395	R01 CA172670	191,462
University of Virginia	93.859	R01 GM095847	20,041
Vala Sciences, Inc.	93.113	R44 ES023521	69,434
Vivoscript, Inc.	93.859	R41 GM113529	55,058
Washington University	93.855	R01 AI104972	118,911
Yale University	93.394	R01 CA155196	<u>12,566</u>
Total passed through from other organizations			<u>7,641,569</u>
Total U.S. Department of Health and Human Services			<u>55,781,233</u>
Federal Contracts—			
Passed through from other organizations:			
Battelle, Pacific North West	81.RD	DE-AC05-76RL01830	259,274
Northwestern University	93.RD	HHSN272201200026C	331,636
Leidos Biomedical Research, Inc. (\$81,475 passed through to other organizations)	93.RD	29XS123	958,947
Leidos Biomedical Research, Inc.	93.RD	16X113	85,739
University of California, San Diego	12.91	HR0011-13-2-0017	501,475
Vascular Biosciences	N/A	HHSN268201400006C	<u>204,395</u>
Total Federal Contracts			<u>2,341,466</u>
National Science Foundation:			
Direct Program	47.041	CBET-1403535	78,257
Passed through from other organizations—AivoCode, LLP	47.041	1548490	<u>15,837</u>
Total National Science Foundation			<u>94,094</u>
U.S. Department of Defense:			
U.S. Air Force Research Laboratory Direct Program	12.800	FA8650-13-2-6453	1,437,717
U.S. Army Medical Research Acquisition Activity Direct program	12.420	W81XWH	1,676,116
Passed through from other organizations—University of California, Santa Cruz	12.420	W81XWH-14-1-0329	45,454
SPAWAR Systems Center Pacific Direct program	12.910	N66001-14-1-4010	<u>25,165</u>
Total U.S. Department of Defense			<u>3,184,452</u>

(Continued)

SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

**SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND FLORIDA STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

Program Title/Federal Grantor/Pass-Through Grantor	CFDA Number	Pass-Through Grant or Contract Number	Expenditures
RESEARCH AND DEVELOPMENT (Continued)			
Environmental Protection Agency: Direct program	66.509	RD-83555201	<u>\$ 331,791</u>
Total Environmental Protection Agency			<u>331,791</u>
National Aeronautics and Space Administration: Direct program	43.007	NNX13AN38G	<u>82,154</u>
Total National Aeronautics and Space Administration			<u>82,154</u>
Total Research and Development			<u>61,815,190</u>
	CSFA Number		
EXPENDITURES OF FLORIDA STATE FINANCIAL ASSISTANCE: Department of Economic Opportunities	31.054	OT07-030	<u>17,304,270</u>
Florida Department of Health:			
Bankhead-Coley Cancer Research Program	64.078	5BC08	370,351
Bankhead-Coley Cancer Research Program (\$5,114 passed through to other organizations)	64.078	4BB17	146,413
Florida Biomedical Research Program	64.129	COHG6	12,884
James and Esther King Biomedical Research Program	64.041	6JK07	<u>34,016</u>
Total Florida Department of Health			<u>563,664</u>
Total Expenditures of Florida State Financial Assistance			<u>17,867,934</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS AND FLORIDA STATE FINANCIAL ASSISTANCE			<u>\$ 79,683,124</u>

(Concluded)

SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND FLORIDA STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The accompanying schedule of expenditures of federal awards and Florida state financial assistance (the "Schedule") has been prepared from the Sanford Burnham Prebys Medical Discovery Institute's (the "Institute") accounting records and is presented on the accrual basis of accounting.

The information in the Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Florida Rules of the Auditor General Chapter 10.650, *Florida Single Audit Act Audits of Non-Profit and For-Profit Organizations*. The Schedule presents only a selected portion of the activities of the Institute, it is not intended to, and does not, present either the financial position or changes in net assets of the Institute. The Schedule includes only State of Florida financial assistance projects that are required to be reported.

2. CREDIT BALANCES

The credit balances in the Schedule relate to funds that were expended in prior years and reversed in fiscal year 2016.

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

To the Board of Trustees of
Sanford Burnham Prebys Medical Discovery Institute:

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 Sanford Burnham Prebys Medical Discovery Institute (the "Institute"), formerly Sanford Burnham Medical Research Institute, which comprise the statement of financial position as of June 30, 2016, 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 October 24, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Institute'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 Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Institute'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 Institute'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

October 24, 2016



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE
PROJECT AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND STATE
OF FLORIDA RULES OF THE AUDITOR GENERAL CHAPTER 10.650**

To the Board of Trustees of
Sanford Burnham Prebys Medical Discovery Institute:

**Report on Compliance for Major Federal Program and State Financial Assistance
Project**

We have audited Sanford Burnham Prebys Medical Discovery Institute's (the "Institute") compliance with the types of compliance requirements described in the OMB *Circular Compliance Supplement* and the requirements described in the *Florida Single Audit Act Executive Office of the Governor's State Projects Compliance Supplement* that could have a direct and material effect on the Institute's major federal program and state financial assistance project for the year ended June 30, 2016. The Institute's major federal program and state financial assistance project are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program and state financial assistance project.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Institute's major federal program and state financial assistance project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and State of Florida Rules of Auditor General Chapter 10.650, *Florida Single Audit Act Audits of Non-Profit and For-Profit Organizations*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state financial assistance project occurred. An audit includes examining, on a test basis, evidence about the Institute's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and state financial assistance project. However, our audit does not provide a legal determination of the Institute's compliance.

Opinion on Major Federal Program and State Financial Assistance Project

In our opinion, the Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state financial assistance project for the year ended June 30, 2016.

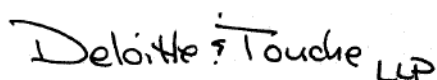
Report on Internal Control over Compliance

Management of the Institute is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Institute's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program or state financial assistance project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and state financial assistance project and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of Florida Rules of the Auditor General Chapter 10.650, *Florida Single Audit Act Audits of Non-Profit and For-Profit Organizations*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Institute's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State of Florida Rules of the Auditor General Chapter 10.650, *Florida Single Audit Act Audits of Non-Profit and For-Profit Organizations*. Accordingly, this report is not suitable for any other purpose.

The logo for Deloitte & Touche LLP, featuring the company name in a stylized, handwritten-style font.

October 24, 2016

SANFORD BURNHAM PREBYS MEDICAL DISCOVERY INSTITUTE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2016

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards and State Financial Assistance

Internal control over major program and project:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for the major program and project:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance (Section 516(a)) and Chapter 10.654(1)(h)4?	No
Major federal program:	Research and Development
Major state project:	Department of Economic Opportunities
Dollar threshold used to distinguish Type A and Type B federal programs:	\$1,854,456
Dollar threshold used to distinguish Type A and Type B state projects:	\$536,038
Auditee qualified as a low-risk auditee?	No

2. FINANCIAL STATEMENT FINDINGS

The audit disclosed no findings that are required to be reported.

3. FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

The audit disclosed no federal award or state project findings or questioned costs in fiscal year 2016.

4. OTHER MATTERS

A management letter was not issued as there were no findings required to be reported in a management letter in accordance with State of Florida Rules of the Auditor General Chapter 10.650, *Rules of the Florida Auditor General*.

As required by Section 215.97(2)(e), Florida Statutes, and Chapter 10.654(1)(i) and 10.656(3)(d)5, *Rules of the Auditor General*, a summary schedule of prior-year audit findings is not necessary because there were no prior-year audit findings.

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