

**FLORIDA KEYS COLLEGE CAMPUS
FOUNDATION, INC.
(A COMPONENT UNIT OF THE
FLORIDA KEYS COMMUNITY COLLEGE)**

FINANCIAL STATEMENTS

As of and for the Seven Months Ended April 30, 2019

And Reports of Independent Auditor

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.

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Report of Independent Auditor

To the Board of Directors
Florida Keys College Campus Foundation, Inc.
Key West, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Florida Keys College Campus Foundation, Inc. (the "Foundation"), a component unit of the Florida Keys Community College, which comprise the statement of net position as of April 30, 2019, and the related statements of revenue, expenses, and changes in net position and cash flows for the seven months then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of April 30, 2019, and the changes in its financial position and its cash flows thereof for the seven months then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter**Transfer of Operations**

The accompanying financial statements have been prepared as if the Foundation will continue as a going concern. However, as discussed in Note 9 to the financial statements, the Foundation transferred all assets, liabilities and operations to the Florida Keys Community College during the seven months ended April 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2019, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Foundation'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 Foundation's internal control over financial reporting and compliance.



Tampa, Florida
October 21, 2019

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

SEVEN MONTHS ENDED APRIL 30, 2019

Introduction

The Florida Keys College Campus Foundation, Inc. (the "Foundation") provides the following management discussion and analysis ("MD&A") as an overview of the financial activities for the seven months from October 1, 2018 through April 30, 2019. This discussion, the following financial statements, and the related footnote disclosures have been prepared by management and comprise the Foundation's complete financial report. The financial statements, footnotes, and this discussion are the responsibility of management.

The purpose of the Foundation, formed in April 2010, was to enhance the Florida Keys Community College (the "College") educational mission, including, without limitation, assisting with the acquisition, development, financing, construction, management, and operation of capital assets of the College.

The Foundation's primary activity was the receiving, investing, and administering real and personal property including, but not limited to, the construction of a 100-bed student housing facility (the "Facility") for the benefit of the College. The College managed the day-to-day operations of the residence hall per a management agreement with the Foundation.

Using the Financial Report

Pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 35, the Foundation's financial report consists of three basic financial statements: the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. The Foundation is reported as a discretely presented component unit in the College's financial report and, therefore, is prepared in accordance with GASB principles.

Statement of Net Position

The Statement of Net Position is a "point of time" financial statement that presents the assets, liabilities, and net position of the Foundation. The purpose of this financial statement is to present to the readers of the Foundation's financial report a fiscal snapshot as of the end of the seven months period (i.e., April 30th). The statement of net position presents both the current and noncurrent portions of assets and liabilities.

The total assets of the Foundation as of April 30, 2019 were \$-0-, which decreased by \$6,674,287 compared to 2018 as a result of the transfer of operations to the College.

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

SEVEN MONTHS ENDED APRIL 30, 2019

Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position, as presented on the statement of net position, are based on the activity presented in the statement of revenues, expenses, and changes in net position. The purpose of the statement is to present the revenues earned by the Foundation, both operating and nonoperating, and the expenses incurred by the Foundation, both operating and nonoperating, and any other revenues, expenses, gains, and losses earned or incurred by the Foundation. Nonoperating revenues are revenues earned for which goods and services are not provided.

	Seven Months Ended April 30, 2019	Year Ended September 30, 2018
Net operating income	\$ 132,488	\$ 426,203
Nonoperating expenses	(289,449)	(575,136)
Special Item - transfer of operations	2,205,891	-
Increase (decrease) in net position	2,048,930	(148,933)
Net position, beginning of period	(2,048,930)	(1,899,997)
Net position, end of period	<u>\$ -</u>	<u>\$ (2,048,930)</u>

The statement of revenues, expenses, and changes in net position reflects an increase in the net position of \$2,048,930 at the end of the seven month period ended April 30, 2019, resulting from net operating income of \$132,488, less nonoperating expenses of \$289,449, and a special item of \$2,205,891 due to the transfer of operations to the College.

Statement of Cash Flows

The final statement presented by the Foundation is the statement of cash flows. This statement is divided into four parts and presents detailed information about the cash activity of the Foundation during the seven months period. The first part deals with operating cash flows and shows the net cash provided by the operating activities of the Foundation. The second section reflects cash flows from investing activities. This section reflects the changes in fair value of investments. The third section reflects the cash flows from capital and related financing activities and shows cash received from financing activities and spent for capital expenditures. The fourth section reconciles the net cash used to the operating income or loss reflected on the statement of revenues, expenses, and changes in net position.

	Seven Months Ended April 30, 2019	Year Ended September 30, 2018
Net cash provided by operating activities	\$ 162,546	\$ 827,129
Net cash provided by investing activities	7,685	3,214
Net cash used in capital and related financing activities	(1,084,899)	(581,350)
Net (decrease) increase in cash	(914,668)	248,993
Cash, beginning of period	914,668	665,675
Cash, end of period	<u>\$ -</u>	<u>\$ 914,668</u>

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

SEVEN MONTHS ENDED APRIL 30, 2019

The major sources of funds are proceeds related to student housing revenue included in operating activities. The major uses of funds included in financing activities are payments to vendors/suppliers, payments for interest on outstanding debt balance, and the transfer of operations.

Capital Assets

There were no new capital asset additions in the current seven months period. The net capital asset balance decreased from the prior period due to the transfer of operations in the seven months period. Additional information about the Foundation's capital assets can be found in Note 4 in the notes to the financial statements.

Long-Term Debt

The outstanding bond payable balance decreased by \$8,305,000 as a result of the transfer of operations. Additional information about the Foundation's bond payable can be found in Note 5 in the notes to the financial statements.

Transfer of Operations

The Foundation has finalized negotiations with ZP No. 329, LLC, agreements as of April 4, 2019. The final agreement between majority bondholder Emet Capital Management, ZP No. 329, LLC, the College and the Foundation included the following.

- 1) There was a quit claim deed in which the College assumed ownership of building;
- 2) The College then leased the land and building to ZP No. 329, LLC for a 40-year period;
- 3) ZP No. 329 then paid off of existing bonds at \$8,305,000; and
- 4) There was a termination of the interlocal agreement, lease, and management agreement with the College.

The College assumed tangible assets of the building, such as furniture, gym equipment, and security system equipment. The College absorbed any assets held by the Foundation including any cash held in the local petty cash account, cash account with trustee in excess of final trustee payments and closing costs, receivables of the Foundation for rental periods prior to closing date April 4, 2019, and prepaid funds from insurance policies.

As a result of the above transactions, the Foundation ceased operations on April 30, 2019 and recognized a gain on the transfer of assets and liabilities to the College in an amount equal to the Foundation's net position on the date of transfer.

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
STATEMENT OF NET POSITION

APRIL 30, 2019

ASSETS	
Total Assets	<u><u>\$ -</u></u>
LIABILITIES	
Total Liabilities	<u><u>\$ -</u></u>
NET POSITION	
Total Net Position	<u><u>\$ -</u></u>

The accompanying notes to the financial statements are an integral part to this statement.

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

SEVEN MONTHS ENDED APRIL 30, 2019

Operating Revenues:	
Residence hall revenue	\$ 365,455
Total Operating Revenues	<u>365,455</u>
Operating Expenses:	
Operating expenses	140,378
Depreciation expense	92,589
Total Operating Expenses	<u>232,967</u>
Net Operating Income	<u>132,488</u>
Nonoperating Revenues (Expenses):	
Interest income	7,685
Interest expense	(297,134)
Total Nonoperating Expenses	<u>(289,449)</u>
Net Loss Before Special Item	<u>(156,961)</u>
Special Item:	
Gain from transfer of operations	2,205,891
Total Special Item	<u>2,205,891</u>
Change in net position	2,048,930
Net position, beginning of period	<u>(2,048,930)</u>
Net position, end of period	<u><u>\$ -</u></u>

The accompanying notes to the financial statements are an integral part to this statement.

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
STATEMENT OF CASH FLOWS

SEVEN MONTHS ENDED APRIL 30, 2019

Cash flows from operating activities:

Receipts from students	\$ 411,276
Payments to vendors	(248,730)
Net cash provided by operating activities	<u>162,546</u>

Cash flows from investing activities:

Interest income	<u>7,685</u>
Net cash provided by investing activities	<u>7,685</u>

Cash flows from capital and related financing activities:

Interest paid on bond	(539,363)
Cash related to special item - transfer of operations	(545,536)
Net cash used in capital and related financing activities	<u>(1,084,899)</u>

Net decrease in cash and cash equivalents	(914,668)
Cash, beginning of period	<u>914,668</u>
Cash, end of period	<u><u>\$ -</u></u>

Reconciliation of net operating income to net cash provided by operating activities:

Operating income	\$ 132,488
Adjustments to reconcile net operating income to net cash provided by operating activities:	
Depreciation expense	92,589
Bad debt expense	(23,910)
Decrease in student receivables	69,731
Decrease in related party receivables	165,913
Decrease in prepaid expenses	440
Decrease in related party payables	(210,572)
Decrease in accrued expenses	(64,133)
Net cash provided by operating activities	<u><u>\$ 162,546</u></u>

Noncash special item

Transfer of noncash assets and liabilities	<u><u>\$ 2,751,427</u></u>
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FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

SEVEN MONTHS ENDED APRIL 30, 2019

Note 1—Nature of activities

Organization – The Florida Keys College Campus Foundation, Inc. (the “Foundation”) was incorporated under the laws of the state of Florida on April 26, 2010. The Foundation exists to enhance the Florida Keys Community College, Inc.’s (the “College”) educational mission, including assisting with the acquisition, development, financing, construction, management, and operation of capital assets for the College. Although legally separate from the College, the Foundation is reported as if it were part of the College because its sole purpose is to benefit the College. The Foundation’s financial statements are presented as a discretely presented component unit in the College’s financial statements.

Note 2—Significant accounting policies

Financial Statements – The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (“GASB”) and cover the seven months period for October 1, 2018 through April 30, 2019. During this period the Foundation transferred its operations to the College (see Note 10).

Basis of Accounting – The financial statements of the Foundation have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of when the related cash flows take place.

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States 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 seven months reporting period. Actual results could differ from those estimates.

The full scope of the Foundation’s activities is considered to be a single business-type activity and, accordingly, is reported within the basic financial statements of the College.

Operating and Nonoperating Activities – Operating revenues consist of all the activity of the College except for certain items specifically considered to be of a nonoperating nature. Nonoperating activities include interest paid on bonds and interest received on cash.

Cash – Cash consists of bank checking and savings accounts.

Restricted Cash – As required by the trust indenture, proceeds from the bonds were set aside for the purpose of setting up a bond service fund. Additionally, certain amount were restricted in a capitalize interest, operating, and maintenance fund. As a result of the transfer of operations, there are no balances in either fund at April 30, 2019.

Student Receivables – Student receivables have been stated at the amount management expects to collect from outstanding balances. Management closely monitored outstanding balances and provides for probably collectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts based upon its assessment of the current status of individual accounts. Balances that were still outstanding after management used reasonable collection efforts were generally written off through a charge to the allowance for doubtful accounts and a credit to the student receivables accounts after approval from the Board of Directors. The allowance for bad debt expense was \$-0- for at April 30, 2019.

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

SEVEN MONTHS ENDED APRIL 30, 2019

Note 2—Significant accounting policies (continued)

Capital Assets – Purchased or constructed capital assets have been reported at cost less accumulated depreciation. Minimum capitalization thresholds were \$5,000 and three years of useful life for all asset categories. Capital assets have been depreciated on the straight-line basis over their estimate useful lives. The building has been depreciated over 40 years and furnishings and equipment are depreciated over seven years. The capital assets were \$-0- at April 30, 2019, as a result of the transfer of operations.

Note 3—Concentration of credit and custodial risk

Cash and Restricted Cash – Concentration of credit risk is the risk of a loss attributed to the magnitude of an entity’s investment in a single issuer. At April 30, 2019, the book balance of deposits and the bank balance was \$-0-. Custodial credit risk is the risk that in the event of a bank failure, the Foundation’s deposits may not be returned to it. The Foundation’s bank balances are insured by federal depository insurance or fully collateralized at April 30, 2019.

Related Party Receivable – The Foundation’s daily operating cash has been included within the College’s pooled cash and investment account. As allowed by the Memorandum of Understanding between the Foundation and the College, the College performs all cash receipts and cash disbursement functions on behalf of the Foundation, which has been presented as a related party receivable in the statement of net position. There is no balance as of April 30, 2019 as a result of the transfer of operations. The College deposited cash in qualified public depositories. Bank balances are fully insured in accordance with Florida Statute Chapter 280, which establishes the multiple financial institution collateral pool.

Note 4—Capital assets

Capital asset activity for the seven months ended April 30, 2019 was as follows:

	October 1, 2018	Additions	Disposals	April 30, 2019
Capital assets, being depreciated:				
Building	\$ 6,683,150	\$ -	\$ (6,683,150)	\$ -
Furnishings and equipment	211,130	-	(211,130)	-
Totals capital assets being depreciated	<u>6,894,280</u>	<u>-</u>	<u>(6,894,280)</u>	<u>-</u>
Less accumulated depreciation for:				
Building	1,137,422	92,589	(1,230,011)	-
Furnishings and equipment	211,128	-	(211,128)	-
Total accumulated depreciation	<u>1,348,550</u>	<u>92,589</u>	<u>(1,441,139)</u>	<u>-</u>
Total capital assets, net	<u>\$ 5,545,730</u>	<u>\$ (92,589)</u>	<u>\$ (5,453,141)</u>	<u>\$ -</u>

Total depreciation expense was \$92,589 for the seven months ended April 30, 2019.

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

SEVEN MONTHS ENDED APRIL 30, 2019

Note 5—Bond payable

On November 1, 2010, the Foundation issued \$8,305,000 of Senior Leasehold Industrial Development Revenue Bonds, Series 2010 (the “Bonds”). The Bonds were issued to pay for the construction of a new 100-bed college dormitory facility (the “Facility”) for the benefit of the College.

The following is a summary of debt transactions for the seven months ended April 30, 2019:

	<u>October 1,</u> <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>April 30,</u> <u>2019</u>	<u>Due Within</u> <u>One Year</u>
Bond payable	\$ 8,305,000	\$ -	\$ (8,305,000)	\$ -	\$ -
Less Unamortized Bond discount	(123,467)	-	123,467	-	-
Total Bond payable	<u>\$ 8,181,533</u>	<u>\$ -</u>	<u>\$ (8,181,533)</u>	<u>\$ -</u>	<u>\$ -</u>

The total interest incurred for the seven months ended April 30, 2019 was \$297,134.

Note 6—Risk management

The Foundation has been exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and natural disasters. These exposures to loss have been handled through the College via a combination of methods, including participation in various risk pools administered by the state of Florida, purchase of commercial insurance, and self-retention of certain risks.

Additional details on the College’s risk management programs are disclosed in the financial report of the College.

Note 7—Income taxes

The Foundation is exempt from income tax under Section 501(c)(03) of the Internal Revenue Code. Management has evaluated the effect of the guidance provided by accounting principles generally accepted in the United States of America on Accounting for Uncertainty in Income Taxes. Management believes that the Foundation continues to satisfy the requirements of a tax-exempt organization at April 30, 2019. Management has evaluated all other tax positions that could have a significant effect on the financial statements at April 30, 2019.

Note 8—Related party transactions

Related-Party Receivable and Payable – Under the Memorandum of Understanding, the Foundation relies on the College to receive all cash receipts and pay all expenses. At April 30, 2019, there was \$-0- receivable from the College and the payable to the College was \$-0-, as a result of the transfer of operations.

Note 9—Special Item – Transfer of operations

The Foundation incurred cumulative net losses in excess of \$2 million and was in default on its bonds payable. Due to these conditions and the Foundation’s inability to continue as a going concern, the Foundation finalized negotiations with ZP No. 329, LLC, as of April 4, 2019 to take over the operations of the Foundation’s activities.

FLORIDA KEYS COLLEGE CAMPUS FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

SEVEN MONTHS ENDED APRIL 30, 2019

Note 9—Special Item – Transfer of Operations (continued)

The final agreement between majority bondholder Emet Capital Management, ZP No. 329, LLC, the College and the Foundation included the following.

- 1) There was a quit claim deed in which the College assumed ownership of building;
- 2) The College then leased the land and building to ZP No. 329, LLC for a 40-year period;
- 3) ZP No. 329 then paid off of existing bonds at \$8,305,000; and
- 4) There was a termination of the interlocal agreement, lease, and management agreement with the College.

The College assumed tangible assets of the building, such as furniture, gym equipment, and security system equipment. The College absorbed any assets held by the Foundation including any cash held in the local petty cash account, cash account with trustee in excess of final trustee payments and closing costs, receivables of the Foundation for rental periods prior to closing date April 4, 2019, and prepaid funds from insurance policies. The Foundation recognized a gain on the transfer of assets and liabilities to the College in an amount equal to the Foundation's net position on the date of transfer.

The transfer of operations amount on the statement of revenues, expenses, and changes in net position is comprised of the following:

Transfer of cash to the College	\$ (26,212)
Transfer of capital assets, net of accumulated depreciation	(5,453,141)
Transfer of bonds payable	8,305,000
Discount on bonds payable	(123,467)
Deposits transferred to the management company	24,750
Cash deposits held at the College transferred to the management company	(24,750)
Closing costs paid by the Foundation	
Commission fees	(363,532)
Attorney's fees	(7,500)
Cash paid for closing costs	(100,216)
Transfer of prepaid items to the College	(1,715)
Trustee fees paid by the Foundation	(23,326)
	<u>\$ 2,205,891</u>

Note 10—Subsequent events

Management has evaluated subsequent events through October 21, 2019, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

**Report of Independent Auditor 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
Florida Keys College Campus Foundation, Inc.
Key West, Florida

We have audited, 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, the financial statements of the Florida Keys Community Campus Foundation, Inc. (the "Foundation"), a component unit of the Florida Keys Community College, as of and for the seven months ended April 30, 2019, and the related notes to the financial statements and have issued our report thereon dated October 21, 2019. Our report includes an emphasis of matter paragraph because the Foundation transferred all assets, liabilities and operations to the Florida Keys Community College during the seven months ended April 30, 2019.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Cherry Bekant LLP

Tampa, Florida
October 21, 2019