

**LIGA CONTRA EL CANCER, INC.
(LEAGUE AGAINST CANCER, INC.)**

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION, AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Liga Contra El Cancer, Inc.
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Liga Contra El Cancer, Inc. ("Liga") which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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 Liga Contra El Cancer, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by *Chapter 10.650, Rules of the Auditor General of the State of Florida*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2020 on our consideration of Liga’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 Liga’s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
June 22, 2020

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Cash	\$ 2,255,412
Investments	2,361,507
Grants receivable, no allowance necessary	207,859
Inventory	1,231,627
Property and equipment, net of accumulated depreciation	<u>1,199,116</u>
TOTAL ASSETS	<u><u>\$ 7,255,521</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 596,194
Deferred revenue	<u>268,049</u>
TOTAL LIABILITIES	<u>864,243</u>

NET ASSETS

Without donor restrictions	<u>6,391,278</u>
TOTAL NET ASSETS	<u>6,391,278</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 7,255,521</u></u>
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The accompanying notes are an integral part of these financial statements.

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restriction</u>
Public Support	
Special events	\$ 3,687,263
Donated professional services	4,232,027
State of Florida Department of Health	954,693
Miami Dade County	92,248
Contributions (State of Florida Department of Highway)	33,685
Contributions	37,934
Other income	85,337
TOTAL PUBLIC SUPPORT	<u>9,123,187</u>
Other Income (Expense)	
Interest and dividends	71,243
Investment loss	223,515
TOTAL OTHER INCOME	<u>294,758</u>
 TOTAL PUBLIC SUPPORT AND OTHER INCOME	 <u>9,417,945</u>
 Expenses	
Program services	
Medical services	6,699,180
Support Activities	
General and administrative	1,099,302
Fundraising	1,212,478
TOTAL EXPENSES	<u>9,010,960</u>
 CHANGE IN NET ASSETS	 406,985
 Net assets at beginning of year	 5,984,293
 Net assets at end of year	 <u><u>\$ 6,391,278</u></u>

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

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

OPERATING ACTIVITIES	
Change in net assets	\$ 406,985
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	51,481
Realized and unrealized gains on investments	(223,515)
Decrease (Increase) in operating assets	
Grants receivable	7,689
Inventory	(651,867)
Increase in operating liabilities	
Accounts payable and accrued expenses	124,058
Deferred revenue	105,100
	<u>(587,054)</u>
Net cash used in operating activities	<u><u>(180,069)</u></u>
INVESTING ACTIVITIES	
Change in investment securities	(62,826)
Purchases of property and equipment, net	(29,239)
Net cash used in investing activities	<u>(92,065)</u>
Net decrease in cash	(272,134)
Cash at beginning of year	<u>2,527,546</u>
Cash at end of year	<u><u>\$ 2,255,412</u></u>

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

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program	Support Activities		Total
	Services	General and	Fundraising	
	Medical	Administrative		
	Services			
Personnel expenses				
Salaries and benefits	\$ 603,063	453,332	\$ -	\$ 1,056,395
Operating expenses				
Advertising	-	39,235	-	39,235
Auto and travel	-	4,132	-	4,132
Bank charges	-	1,956	-	1,956
Building expenses and waste management	3,451	-	-	3,451
Depreciation	-	51,481	-	51,481
Donated services and goods	3,580,159	-	-	3,580,159
Insurance	-	182,255	-	182,255
Licenses and taxes	9,329	6,266	-	15,595
Medical and hospitalization costs	2,459,324	-	-	2,459,324
Operating supplies and expenses	-	122,266	-	122,266
Other expenses	1,927	42,440	-	44,367
Postage and mailing	-	5,428	-	5,428
Printing	11,383	3,676	-	15,059
Professional services	4,820	102,346	-	107,166
Rentals	1,545	20,237	-	21,782
Repairs and maintenance	125	28,903	-	29,028
Special fund-raising events	-	-	1,212,478	1,212,478
Telephone and communication	-	6,616	-	6,616
Transcribing service	24,054	-	-	24,054
Utilities	-	28,733	-	28,733
	<u>6,096,117</u>	<u>645,970</u>	<u>1,212,478</u>	<u>7,954,565</u>
TOTAL EXPENSES	<u>\$ 6,699,180</u>	<u>\$ 1,099,302</u>	<u>\$ 1,212,478</u>	<u>\$ 9,010,960</u>

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

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Liga Contra El Cancer, Inc. (“Liga”) is a non-profit corporation dedicated to providing free medical care to needy cancer patients.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Accounting and Presentation

Resources are classified for accounting and reporting purposes into three classes of net assets, according to externally imposed restrictions:

- Net assets without donor restrictions: The portion of the net assets of Liga that can be used subject only to the broad limits resulting from the nature of the organization, the environment in it operates, the purposes specified in its articles of incorporation, or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by Liga in the course of its business. Liga has the greatest ability to choose when using these resources. Net assets without donor restrictions are generally contributions that are not subject to donor-imposed restrictions, and income from investing excess operating cash, reduced by expenses incurred in providing services, raising contributions, and performing administrative functions.
- Net assets with donor restrictions: The portion of the net assets of Liga that is subject to either donor imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit Liga’s choices when using these resources because Liga has a fiduciary responsibility to its donors to follow the donor’s instructions. Net assets with donor restrictions generally result from donor-restricted contributions and from the investment return generated by Liga’s donor-restricted endowment.

Contributions

Contributions for which donors have not stipulated restrictions, or donor restricted contributions whose restrictions are met in the same accounting period, are reported as net assets without donor restriction. Contributions of inventory (medicines and other medical supplies) are stated at fair value.

Grants Receivable/Deferred Revenues

Grants receivable consist primarily of amounts due from grantors under various grant agreements. Receivables are stated at the estimated net realizable value. No allowance for doubtful accounts was necessary at December 31, 2019. It is the policy of Liga to record all awarded amounts as grants receivable and deferred revenues at the time of the award. Revenues are recognized as earned and deferred revenues are reduced accordingly.

Cash

Liga considers deposits with banks and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Inventory

Inventory consists of donated and purchased medicines. Liga records medicines purchased at cost and records donated medicines at the average wholesale cost at the time of receiving the gift.

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Support

Liga is dependent upon public and governmental support for its operation. The amount and timeliness in which the support from fundraising events and governmental agencies is collected is essential to meet the normal cash flow needs of the organization. Substantially, all of Liga's financial support is provided by the public through various fundraising events held throughout the year, particularly the telethon which generally takes place in June. For the year ended December 31, 2019, Liga received \$92,248 from Miami-Dade County for hospitalization costs. For the year ended December 31, 2019, Liga received \$954,693 from the State of Florida Department of Health for the provision of patient care services. For the year ended December 31, 2019, Liga received \$33,685 from the State of Florida Department of Highway Safety and Motor Vehicles as general support. Grant revenue is recognized when earned in accordance with the terms of the grant.

The value of donated services has been recorded only for those services for which a clear measurable basis is available. However, a substantial number of other volunteers have donated significant amounts of their time to Liga's program services and special events, including certain officers and directors, all of whom have served without compensation.

Donated professional services provided by doctors to Liga have been recorded in the accompanying statements of activities as donated professional services revenue and medical program services expense. The amount of donated professional services amounted to \$4,232,027 for the year ended December 31, 2019. The value of donated professional services is determined by the actual number of visits at the doctors' standard billing rates. Nonetheless, certain professional services provided by doctors, such as surgical procedures, have not been recorded as donated services as a clear measurable basis of the value of these procedures is not available.

Hospital services provided by a number of local hospitals are offered to Liga at a discount from their standard charges. The cost of medical services is reflected net of discounts.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Investments

Investments are carried at fair value based on quoted market prices. Unrealized gains and losses are included in the accompanying statement of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires Liga to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Property and Equipment

Property and equipment, and significant improvements thereto, are recorded at cost, less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for land, buildings, and equipment in excess of \$1,000 are capitalized; the fair value of donated property and equipment is capitalized and recorded as contributions. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Income Taxes

Liga is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded.

Liga has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, determine its filing and tax obligations, and to review other matters that may be considered tax positions. Management of Liga believes there are no uncertain tax positions.

The U.S. Federal jurisdiction is the major tax jurisdiction where Liga files income tax returns. Liga is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2016.

Functional Allocation of Expenses

The costs of Liga's programs and supporting services have been reported on a functional basis. This requires the allocation of costs among various programs and supporting services based on estimates made by management.

Gifts in Kind

Liga receives gifts in kind, such as prescription drugs and medical supplies for use in treating cancer patients. Gifts in kind revenue are recognized in circumstances in which Liga has sufficient discretion over the use and disposition of the times to recognize a contribution in conformity with FASB ASC 958-605-25. Accordingly, the recognition of gifts in kind revenue is limited to circumstances in which Liga takes constructive possession of the gifts in kind and Liga is the recipient of the gift, rather than an agent or intermediary. Gifts in kind received through donations are valued and recorded as revenue at the time other contribution is received. In circumstances in which Liga distributes gifts in kind as part of its own programs, it reports an expense. The revenue and the expense related to donated gifts are reported net in the statement of activities.

Although it is Liga's policy to distribute gifts in kind as promptly as possible, it may hold some gifts in kind at year-end. Undistributed gifts in kind at year-end are reported as inventory. Inventory is valued at the lower of cost or fair value. (Cost is determined as fair value at date of gifts plus any cost incurred).

Reclassifications

Certain reclassifications have been made to the financial statement presentation to correspond to the current year's format. Total net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent Events

Liga has evaluated subsequent events through June 22, 2020, which is the date the financial statements were available to be issued. (See Note 12).

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 – CONCENTRATION OF CREDIT RISK FOR CASH HELD AT BANKS

Liga maintains cash balances at several financial institutions located in South Florida. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, cash balances may temporarily be in excess of the Federal Deposit Insurance Coverage insurance limit.

NOTE 3 – INVESTMENTS

The following schedule summarizes investment for the year ended December 31, 2019, as follows:

<u>Description</u>	
Commodities	\$ 35,643
Real Estate	45,117
Equity securities	429,134
Fixed income	1,851,613
Total investments	<u>\$ 2,361,507</u>

The following schedule summarizes investment returns for the year ended December 31, 2019, as follows:

Realized and unrealized losses on investments	\$ 223,515
Interest and dividends	71,243
	<u>\$ 294,758</u>

NOTE 4 – PROPERTY AND EQUIPMENT, NET

The following schedule summarizes the components of property and equipment and their respective useful lives, as of December 31, 2019, as follows:

	<u>Estimated Useful Lives</u>	
Land		\$ 560,191
Building	30 Years	1,303,401
Furniture, fixtures and equipment	10 Years	251,446
Vehicles	5 Years	28,740
		<u>2,143,778</u>
Less: accumulated depreciation		(944,662)
		<u>\$ 1,199,116</u>

As of December 31, 2019, depreciation expense was \$51,481.

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 – INVENTORY

The following schedule summarizes the components of inventory as of December 31, 2019:

	Undistributed Gift In-kind Inventory	Purchased Inventory	Total
Total inventory, beginning of year	\$ 424,998	\$ 154,762	\$ 579,760
Donations	2,773,379	-	2,773,379
(Used in) purchased for Liga's program, net	(2,183,820)	62,308	(2,121,512)
Total inventory, end of year	<u>\$ 1,014,557</u>	<u>\$ 217,070</u>	<u>\$ 1,231,627</u>

NOTE 6 – COMMITMENTS AND CONTIGENCIES

The costs and unexpended funds reflected in the accompanying financial statements relating to government funds programs are subject to audit by the respective governmental agencies (funding sources). The possible disallowance by the related governmental agencies of any item charged to the program or request for the return of any unexpended funds cannot be determined at this time. No provision, for any liability that may result, has been made in the financial statements.

NOTE 7 – ECONOMIC DEPENDENCE

Liga provides its program services with funds received from state and local governments, as well as its annual fundraising events. A reduction in the level of this funding, if this were to occur, may have a significant effect on Liga's programs and activities. Revenues received under contracts with governmental entities represent approximately 11% of Liga's support and revenue, and fundraising efforts represent approximately 89%.

NOTE 8 – RISK AND UNCERTAINTY

Securities and investments are exposed to interest, market and credit risk. These securities and investments may change

NOTE 9 – FAIR VALUE MEASUREMENTS

Liga classified its investments as of December 31, 2019 based upon an established fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. Liga uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Liga measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs were not available. The three-level valuation hierarchy is established for the measurement and disclosure of fair value. The valuation hierarchy is based upon the transparency of inputs used to measure fair value. The three levels are as follows:

- Level 1 – asset value is based on actual quoted prices in active markets for identical securities (mark-to-market).
- Level 2 – other significant observable inputs are used to arrive at fair value (including yield, quality, coupon rate, maturity, issue type, quoted prices for similar securities, prepayment speeds, trading characteristics, etc.).
- Level 3 – significant unobservable inputs (including management's own assumptions in determining the fair value of investments).

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 – FAIR VALUE MEASUREMENTS (Continued)

Investments in commodities, equity, and fixed income securities are valued at quoted prices of active markets and are classified as Level 1 within the fair value hierarchy.

Description	December 31, 2019	Fair Value Measurements Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Commodities	\$ 35,643	\$ 35,643	\$ -	\$ -
Real Estate	45,117	45,117	-	-
Equity securities	429,134	429,134	-	-
Fixed income	1,851,613	1,851,613	-	-
Total investments	<u>\$ 2,361,507</u>	<u>\$ 2,361,507</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 10- ENDOWMENTS

Liga’s endowment consists of a money market investment fund established for a purpose. Its endowment includes a Board-designated endowment fund. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions; therefore, the endowment funds are classified as follows.

2019	Board- designated (Net Assets Without Donor Restriction)
Endowment net assets, beginning of year	\$ 87,831
Contributions net	5,922
Endowment net assets, end of year	<u>\$ 93,753</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with donor restricted endowment funds may fall below the level that the donor requires Liga to retain as a fund of perpetual duration. There were no such deficiencies in the endowment funds as of December 31, 2019.

Return Objectives and Risk Parameters

Liga has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are completely invested in a money market fund which assumes a low level of investment risk. Liga expects its endowment funds, over time, to provide a rate of return in excess of corpus. Actual returns in any given year may vary.

LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 10- ENDOWMENTS (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Liga relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

Liga has a spending policy for its endowments that balances a realistic achievable rate of return, expenses, and its financial objectives. The distribution policy for endowments is reviewed annually as part of the annual budgeting process.

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Liga monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. Liga has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Cash	\$ 2,255,412
Investments	2,361,507
Grants receivable, no allowance necessary	207,859
	<u>4,824,778</u>
Less:	
Deferred revenue	268,049
Board-designated endowment	93,753
	<u>361,802</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,462,976</u></u>

NOTE 12 – SUBSEQUENT EVENTS

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to Liga, its performance, and its financial results.

SUPPLEMENTARY INFORMATION

**LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019**

State Agency, Pass-through Entity State Project	CSFA No.	Contract Grant No.	Expenditures
STATE AGENCIES			
State of Florida Department of Health			
Cancer treatment and research	64.048	DEX46	\$ 467,809
Cancer treatment and research	64.048	DEX58	<u>486,884</u>
			954,693
State of Florida Department of Highway Safety and Motor Vehicles			
League Against Cancer Voluntary Contribution	76.122		<u>33,685</u>
TOTAL STATE FINANCIAL ASSISTANCE			<u><u>\$ 988,378</u></u>

The accompanying notes are an integral part of these financial statements

**LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2019**

1. **General**

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of Liga Contra El Cancer, Inc. (“Liga”) for the year ended December 31, 2019. Liga’s reporting entity is described in Note 1 to Liga’s financial statements. State financial assistance expended from state agencies are included on the schedule.

2. **Basis of Accounting**

The accompanying schedule of expenditures of state financial assistance is presented using the accrual basis of accounting, which is described in Note 1 to Liga’s financial statements. The information in this schedule is presented in accordance with the requirements of Chapter 10.650 “Rules of the Auditor General”. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.



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 of
Liga Contra El Cancer, Inc.
Miami, Florida

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 Liga Contra El Cancer, Inc. ("Liga"), which comprise the statement of financial position as of December 31, 2019, and the related statement 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 June 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Liga'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 Liga's internal control. Accordingly, we do not express an opinion on the effectiveness of Liga'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 Liga'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 Liga'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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
June 22, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
CHAPTER 10.650, RULES OF THE AUDITOR GENERAL

To the Board of Directors of
Liga Contra El Cancer, Inc.
Miami, Florida

Report on Compliance for Each Major State Program

We have audited Liga Contra El Cancer, Inc.'s ("Liga") compliance with the types of compliance requirements described in the *Department of Financial Services State Project's Compliance Supplement* that could have a direct and material effect on each of Liga's major state programs for the year ended December 31, 2019. Liga's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Liga's major state programs 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; and Chapter 10.650, *Rules of the Auditor General of the State of Florida*. Those standards and Chapter 10.650, *Rules of the Auditor General of the State of Florida* 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 state program occurred. An audit includes examining, on a test basis, evidence about Liga'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 each major state program. However, our audit does not provide a legal determination of Liga's compliance.

Opinion on Each Major State Program

In our opinion, Liga Contra El Cancer, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of Liga Contra El Cancer, Inc. 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 Liga's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with Chapter 10.650, 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 Liga'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 state program 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 state program 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 state program 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 results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
June 22, 2020

**LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
 STATE FINANCIAL ASSISTANCE PROJECTS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

State Financial Assistance

Type of auditor's report issued on compliance for major projects: *Unmodified*

Internal control over major projects:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656 "Rules of the Auditor General" yes no

Identification of major projects:

Name of State Project or Cluster	CSFA Number	Expenditures
Florida Department of Health Cancer Treatment	64.048	\$954,693
Dollar threshold used to distinguish between type A and type B projects.	\$300,000	
Auditee qualified as low-risk auditee?	N / A	

**LIGA CONTRA EL CANCER, INC. (LEAGUE AGAINST CANCER, INC.)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS

None

SECTION IV - OTHER ISSUES

1. No management letter was issued for the year ended December 31, 2019.
2. No *Summary Schedule of Prior Audit Findings* is required because there were no prior audit findings related to Federal programs or State projects.
3. No *Corrective Action Plan* is required because there were no findings required to be reported under the Federal or Florida Single Audit Acts.