

**LIMBITLESS SOLUTIONS, INC.  
(A COMPONENT UNIT OF THE UNIVERSITY  
OF CENTRAL FLORIDA)**

**FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**LIMBITLESS SOLUTIONS, INC.**  
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**JUNE 30, 2019 AND 2018**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Limbless Solutions, Inc.  
Orlando, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Limbless Solutions, Inc. (the "Corporation"), a direct support organization and component unit of the University of Central Florida, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### *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 the 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 audits. We conducted our audits 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 the Corporation, as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

## **Other Matter**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-7 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 September 26, 2019 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Crowe LLP

Tampa, Florida  
September 26, 2019

**LIMBITLESS SOLUTIONS, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019 AND 2018**

The management discussion and analysis (MD&A) provides an overview of the financial position and activities of Limbitless Solutions, Inc. (the Corporation), for the fiscal years ended June 30, 2019 and 2018, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of management. The MD&A contains financial activity of the Corporation for the fiscal years ended June 30, 2019 and 2018.

The Corporation is a not-for-profit entity incorporated on October 9, 2014. The Corporation was certified as a direct support organization of the University of Central Florida (the University), in December 2016. The Corporation is presented as a discrete component unit of the University. The purpose of the Corporation is to research, design, create, and deliver mechanical and electronic advancements in disability technology; promote access and engagement in STEM/STEAM education; and to enter into arrangements with third parties to facilitate research and innovations in related areas.

Pursuant to GASB Statement No. 35, the Corporation's basic financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows.

**THE STATEMENT OF NET POSITION**

The statement of net position reflects the assets and liabilities of the Corporation, and presents the financial position of the Corporation at a specified time. Assets, less liabilities, equal net position, which is one indicator of the Corporation's current financial condition. The changes in net position that occurs over time indicate improvement or deterioration in the Corporation's financial condition. Unrestricted net position consists of net assets that do not meet the definition of either restricted or net investment in capital assets. The Corporations assets exceeded liabilities creating a positive net position of \$382,578 at June 30, 2019.

**LIMBITLESS SOLUTIONS, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019 AND 2018**  
(Continued)

The following summarizes the Corporation's total net position for the fiscal years ended June 30:

**Condensed Statements of Net Position**  
**(For the Fiscal Years Ended June 30, 2019 and 2018)**

|                                  | <u>2019</u>       | <u>2018</u>       |
|----------------------------------|-------------------|-------------------|
| <b>Assets</b>                    |                   |                   |
| Current assets                   | \$ 212,269        | \$ 148,498        |
| Noncurrent assets                | <u>175,026</u>    | <u>97,299</u>     |
| <b>Total Assets</b>              | <u>387,295</u>    | <u>245,797</u>    |
| <br><b>Liabilities</b>           |                   |                   |
| Current liabilities              | <u>4,717</u>      | <u>189</u>        |
| <b>Total Liabilities</b>         | <u>4,717</u>      | <u>189</u>        |
| <br><b>Net Position</b>          |                   |                   |
| Net investment in capital assets | 175,026           | 97,299            |
| Unrestricted                     | <u>207,552</u>    | <u>148,309</u>    |
| <b>Total Net Position</b>        | <u>\$ 382,578</u> | <u>\$ 245,608</u> |

The Corporation's assets totaled \$387 thousand as of June 30, 2019. This balance consists of current assets of cash and cash equivalents of \$25 thousand, funds held by the University of \$142 thousand, donations due from the UCF Foundation at year end of \$10 thousand, donations due from the UCF Research Foundation at year end of \$23 thousand, and printer material inventory valued at \$12 thousand. Noncurrent assets consist of \$175 thousand of net furniture & equipment capital assets at year-end.

**THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

The statement of revenues, expenses, and changes in net position presents the Corporation's revenue and expense activity, categorized as operating and non-operating. Revenues and expenses are recognized when earned or incurred, regardless of when cash is received or paid. GASB Statement No. 35 categorizes revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions where each of the parties to the transaction either give up or receive something of equal or similar value.

Operating revenue consists primarily of donations received by the Corporation. Operating expenses primarily include material costs related to the production of prosthetic limbs, promotional expenditures, and office related expenses.

**LIMBITLESS SOLUTIONS, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019 AND 2018**  
(Continued)

The following table summarizes the Corporation's changes in net position for the fiscal years ended June 30, 2019 and 2018:

**Condensed Statements of Revenues, Expenses and Changes in Net Position**  
**(For the Fiscal Years Ended June 30, 2019 and 2018)**

|                                         | <u>2019</u>       | <u>2018</u>       |
|-----------------------------------------|-------------------|-------------------|
| Operating revenues                      | \$ 185,204        | \$ 137,019        |
| Operating expenses                      | <u>160,838</u>    | <u>99,956</u>     |
| <b>Operating Income</b>                 | 24,366            | 37,063            |
| <br><b>Nonoperating revenues</b>        | <br>1,804         | <br>2,087         |
| <br><b>Capital contributions</b>        | <br>110,800       | <br>54,000        |
| <br><b>Increase in net position</b>     | <br>136,970       | <br>93,150        |
| <b>Net position</b> , beginning of year | <u>245,608</u>    | <u>152,458</u>    |
| <b>Net position</b> , end of year       | <u>\$ 382,578</u> | <u>\$ 245,608</u> |

The Corporation's operating revenues for the year ended June 30, 2019 consisted primarily of donations of \$132,478, sponsorships of \$38,379, and other revenues of \$14,347. Operating expenses of \$160,838 consists of \$116,137 of service and supply costs primarily relating to bionic arm production materials and \$44,701 of depreciation expense for the Corporation's 3D printer assets.

Nonoperating revenues consist of \$1,804 of interest earnings on the Corporation's funds held by the University during the fiscal year.

Capital contributions consists of donated 3D printers with an acquisition value of \$110,800.

**THE STATEMENT OF CASH FLOWS**

The statement of cash flows provides information about the Corporation's financial results by reporting the major sources and uses of cash and cash equivalents. This statement will assist in evaluating the Corporation's ability to generate net cash flows, its ability to meet its financial obligations as they come due, and its need for external financing. Cash flows from operating activities show the net cash used by the operating activities of the Corporation. Cash flows from capital and related financing activities include changes associated with the purchases of capital assets. Cash flows from investing activities show the net source and use of cash related to purchasing or selling investments, and earning income on those investments.

**LIMBITLESS SOLUTIONS, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019 AND 2018**  
(Continued)

The following table summarizes the cash flow for the fiscal years ended June 30, 2019 and 2018:

**Condensed Statements of Cash Flows**  
**(For the Fiscal Years Ended June 30, 2019 and 2018)**

|                                          | <u>2019</u>      | <u>2018</u>      |
|------------------------------------------|------------------|------------------|
| Cash flows provided by (used in)         |                  |                  |
| Operating activities                     | \$ 41,646        | \$ 47,128        |
| Non-capital financing activities         | (21,061)         | (38,358)         |
| Capital and related financing activities | (11,628)         | -                |
| Investing activities                     | <u>1,804</u>     | <u>2,087</u>     |
| <b>Net increase in cash</b>              | 10,761           | 10,857           |
| <b>Cash and cash equivalents</b>         |                  |                  |
| Beginning of year                        | 14,196           | 3,339            |
| End of year                              | <u>\$ 24,957</u> | <u>\$ 14,196</u> |

**DONATIONS HELD BY THE UCF FOUNDATION**

The Corporation records donation revenue when the funds are received directly by the Corporation from donors or when donated funds are transferred to the Corporation from the UCF Foundation. These financial statements do not include \$478 thousand in donations held by the UCF Foundation on behalf of the Corporation as of the fiscal year ending June 30, 2019. The UCF Foundation does not recognize a liability to the Corporation for the donated funds being held until the Corporation has proven that it has met the donor's intent.

**Capital Assets**

At June 30, 2019, the Corporation had \$263,868 in capital assets, less accumulated depreciation of \$88,842, for net capital assets of \$175,026. Depreciation charges for the current fiscal year totaled \$44,701. The following table summarizes the Corporation's capital assets, net of accumulated depreciation, at June 30:

**Capital Assets, Net**  
**(For the Fiscal Years Ended June 30, 2019 and 2018)**

|                       | <u>2019</u>       | <u>2018</u>      |
|-----------------------|-------------------|------------------|
| Furniture & Equipment | \$ 175,026        | \$ 97,299        |
| <b>Total</b>          | <u>\$ 175,026</u> | <u>\$ 97,299</u> |

**LIMBITLESS SOLUTIONS, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2019 AND 2018**  
(Continued)

**ECONOMIC OUTLOOK**

The Corporation's economic condition is dependent on continued philanthropic support, grant opportunities, and sponsorships to continue providing state of the art 3D printed prosthetic limbs and other innovative devices for individuals in need. The Corporation started its first set of clinical trials in the summer of 2019 with the hope to secure FDA clearance in the near future. The Corporation's outlook is positive, with donations received by the UCF Foundation exceeding budgeted expectations and due to additional revenue generating activities planned for the future.

**REQUEST FOR INFORMATION**

These financial statements are designed to provide detailed information on the Corporation's operations to the Corporation's Board, management, investors, creditors, potential donors, and all others with an interest in the Corporation's financial affairs and to demonstrate the Corporation's accountability for the assets it controls and funds it receives and expends. Questions concerning any of the information provided in this report or any requests for additional financial information should be addressed to Bert Francis, Assistant Controller, University of Central Florida, 12424 Research Parkway, Suite 300, Orlando, FL 32826-3249.

**LIMBITLESS SOLUTIONS, INC.**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2019 AND 2018**

| <u><b>ASSETS</b></u>                            | <u><b>2019</b></u> | <u><b>2018</b></u> |
|-------------------------------------------------|--------------------|--------------------|
| <b>Current assets</b>                           |                    |                    |
| Cash and cash equivalents                       | \$ 24,957          | \$ 14,196          |
| Due from the University of Central Florida      | 142,351            | 121,290            |
| Due from the UCF Foundation                     | 9,996              | 13,012             |
| Due from the UCF Research Foundation            | 23,210             | -                  |
| Inventory                                       | 11,755             | -                  |
| Total current assets                            | <u>212,269</u>     | <u>148,498</u>     |
| <b>Noncurrent assets</b>                        |                    |                    |
| Capital assets, net of accumulated depreciation | 175,026            | 97,299             |
| Total noncurrent assets                         | <u>175,026</u>     | <u>97,299</u>      |
| <b>Total Assets</b>                             | <u>387,295</u>     | <u>245,797</u>     |
| <br><u><b>LIABILITIES</b></u>                   |                    |                    |
| <b>Current Liabilities</b>                      |                    |                    |
| Accounts Payable                                | 4,717              | 189                |
| Total current liabilities                       | <u>4,717</u>       | <u>189</u>         |
| <b>Total Liabilities</b>                        | <u>4,717</u>       | <u>189</u>         |
| <br><u><b>NET POSITION</b></u>                  |                    |                    |
| Net investment in capital assets                | 175,026            | 97,299             |
| Unrestricted                                    | 207,552            | 148,309            |
| <b>Total Net Position</b>                       | <u>\$ 382,578</u>  | <u>\$ 245,608</u>  |

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

**LIMBITLESS SOLUTIONS, INC.**  
**STATEMENTS OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

|                                            | <u>2019</u>       | <u>2018</u>       |
|--------------------------------------------|-------------------|-------------------|
| <b>Operating revenues</b>                  |                   |                   |
| Donations                                  | \$ 132,478        | \$ 125,727        |
| Sponsorships                               | 38,379            | -                 |
| Other                                      | 14,347            | 11,292            |
| Total operating revenues                   | <u>185,204</u>    | <u>137,019</u>    |
| <b>Operating expenses</b>                  |                   |                   |
| Services and supplies                      | 116,137           | 77,068            |
| Depreciation                               | 44,701            | 22,888            |
| Total operating expenses                   | <u>160,838</u>    | <u>99,956</u>     |
| <b>Operating income</b>                    | <u>24,366</u>     | <u>37,063</u>     |
| <b>Nonoperating revenues</b>               |                   |                   |
| Investment income                          | 1,804             | 2,087             |
| Total nonoperating revenues                | <u>1,804</u>      | <u>2,087</u>      |
| <b>Income before capital contributions</b> | <u>26,170</u>     | <u>39,150</u>     |
| <b>Capital contributions</b>               | 110,800           | 54,000            |
| <b>Increase in net position</b>            | <u>136,970</u>    | <u>93,150</u>     |
| <b>Net position, beginning of year</b>     | 245,608           | 152,458           |
| <b>Net position, end of year</b>           | <u>\$ 382,578</u> | <u>\$ 245,608</u> |

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

**LIMBITLESS SOLUTIONS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

|                                                                                                                                                                                 | <u>2019</u>      | <u>2018</u>      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Cash flows from operating activities</b>                                                                                                                                     |                  |                  |
| Receipts from donations                                                                                                                                                         | \$ 112,284       | \$ 112,715       |
| Sponsorships                                                                                                                                                                    | 26,624           | -                |
| Other receipts                                                                                                                                                                  | 14,347           | 11,292           |
| Payments to suppliers and others                                                                                                                                                | (111,609)        | (76,879)         |
| Net cash provided by operating activities                                                                                                                                       | <u>41,646</u>    | <u>47,128</u>    |
| <b>Cash flows from noncapital financing activities</b>                                                                                                                          |                  |                  |
| Net change in funds held by the University of Central Florida                                                                                                                   | (21,061)         | (38,358)         |
| Net cash used in noncapital financing activities                                                                                                                                | <u>(21,061)</u>  | <u>(38,358)</u>  |
| <b>Cash flows from capital and related financing activities</b>                                                                                                                 |                  |                  |
| Purchase of capital assets                                                                                                                                                      | (11,628)         | -                |
| Net cash used in capital and related financing activities                                                                                                                       | <u>(11,628)</u>  | <u>-</u>         |
| <b>Cash flows from investing activities</b>                                                                                                                                     |                  |                  |
| Interest income received                                                                                                                                                        | 1,804            | 2,087            |
| Net cash provided by investing activities                                                                                                                                       | <u>1,804</u>     | <u>2,087</u>     |
| <b>Net increase in cash and cash equivalents</b>                                                                                                                                | 10,761           | 10,857           |
| <b>Cash and cash equivalents, beginning of year</b>                                                                                                                             | 14,196           | 3,339            |
| <b>Cash and cash equivalents, end of year</b>                                                                                                                                   | <u>\$ 24,957</u> | <u>\$ 14,196</u> |
| <b>Reconciliation of operating income to net cash provided by operating activities:</b>                                                                                         |                  |                  |
| Operating income                                                                                                                                                                | \$ 24,366        | \$ 37,063        |
| Adjustments to reconcile operating income to net cash provided by operating activities:                                                                                         |                  |                  |
| Depreciation                                                                                                                                                                    | 44,701           | 22,888           |
| Changes in assets and liabilities:                                                                                                                                              |                  |                  |
| Inventory                                                                                                                                                                       | (11,755)         | -                |
| Due from the UCF Foundation                                                                                                                                                     | 3,016            | (13,012)         |
| Due from the UCF Research Foundation                                                                                                                                            | (23,210)         | -                |
| Accounts payable                                                                                                                                                                | 4,528            | 189              |
| Net cash provided by operating activities                                                                                                                                       | <u>\$ 41,646</u> | <u>\$ 47,128</u> |
| <b>Supplemental disclosure of noncash investing and capital financing activities</b>                                                                                            |                  |                  |
| A donation of capital assets was recognized on the statement of revenues, expenses, and changes in net position, but is not a cash transaction for the statement of cash flows. | \$ 110,800       | \$ 54,000        |

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

**LIMBITLESS SOLUTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**(1) Summary of Significant Accounting Policies:**

The following is a summary of the significant accounting policies and practices of Limbitless Solutions, Inc. (the Corporation), which affect significant elements of the accompanying financial statements:

(a) **Reporting entity**—The Corporation is a not-for-profit entity incorporated on October 9, 2014. The Corporation was certified as a direct support organization of the University of Central Florida (the University), in December 2016 whose purpose is to research, design, create, and deliver mechanical and electronic advancements in disability technology; promote access and engagement in STEM/STEAM education; and to enter into arrangements with third parties to facilitate research and innovations in related areas. As a direct support organization and component unit of the University, the Corporation operates for the service and convenience of the University. The Corporation is presented as a discrete component unit of the University on the University's financial statements.

(b) **Financial statement presentation**—The Corporation's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended, which requires the Corporation to present:

- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statements:
  - Statements of Net Position
  - Statements of Revenues, Expenses, and Changes in Net Position
  - Statements of Cash Flows
  - Notes to Financial Statements

(c) **Basis of accounting**—Basis of accounting refers to when revenues, expenses, and related assets, deferred outflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Corporation's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met. The Corporation follows GASB standards of accounting and financial reporting.

The statement of net position is presented in a classified format to distinguish between current and noncurrent assets and liabilities. The statement of revenues, expenses and changes in net position is presented in a format which distinguishes operating revenues and expenses from non-operating items. Operating revenues are defined as revenues generated from the primary mission of the Corporation; and include revenues generated from donations provided to help advance disability technology, and other revenues earned from promoting STEM/STEAM education. Non-operating revenues are defined as revenues not derived from the basic mission operations of the Corporation. Nonoperating revenues normally, but not always, result from non-exchange transactions, defined as value received with no good or service exchanged; and include interest earnings on funds held by the University. The statement of cash flows is presented using the direct method in compliance with GASB standards of accounting and financial reporting.

(Continued)

**LIMBITLESS SOLUTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

(1) **Summary of Significant Accounting Policies:** (Continued)

- (d) **Cash and cash equivalents**—Amounts reported as cash consist of cash on hand.
- (e) **Due From the University of Central Florida**—The amounts recorded as Due from the University of Central Florida include funds held by the University on behalf of the Corporation.
- (f) **Due From the University of Central Florida Foundation**—The amounts recorded as Due from the University of Central Florida Foundation include Corporation expenses submitted for reimbursement prior to June 30, 2019 that were pending reimbursement at year end.
- (g) **Due From the University of Central Florida Research Foundation**—The amounts recorded as Due from the University of Central Florida Research Foundation include remaining cash balances in accounts that support clinical activity for the Corporation on June 30, 2019.
- (h) **Capital assets**—The Corporation's capital assets consist of furniture and equipment. These assets are capitalized and recorded at cost at the date of acquisition. Donated capital assets are recorded at acquisition values at the date of donation. Additions, improvements, and other outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.
- The Corporation has a capitalization threshold of \$5,000 for furniture and equipment additions and a threshold of \$100,000 for new buildings and improvements. Depreciation is computed on the straight-line basis over estimated useful lives ranging from 5 to 39 years.
- (i) **Revenue recognition**—Revenues from donations are recorded in the year in which they are received by the Corporation from donors, or in the year in which donations are transferred from the UCF Foundation. Other revenues include speaking fees and summer camp revenues earned during the year.
- (j) **Net position**—The Corporation's net position is classified as follows:
- Net investment in capital assets – This represents the total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included in this component of net position.
  - Unrestricted net position – This represents Corporation resources that do not meet the definition of “net investment in capital assets.”
- (k) **Income taxes**—The Corporation is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

When required, the Corporation files income tax returns in the U.S. federal jurisdiction and in the state of Florida. The Corporation's income tax returns for the past three years are subject to examination by the tax authorities, and may change upon examination.

The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Corporation.

(Continued)

**LIMBITLESS SOLUTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

(1) **Summary of Significant Accounting Policies:** (Continued)

(l) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities along with disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) **Inventory**—The Corporation uses the first in first out (FIFO) methodology to value its inventory. Inventory for the Corporation includes 3D printing materials for a total value of \$11,755 at June 30, 2019.

(2) **Cash and Cash Equivalents:**

The Corporation has cash on hand totaling \$24,957 and \$14,196 at June 30, 2019 and 2018, respectively. The Corporation also has cash invested by the University of \$142,351 and \$121,290 at June 30, 2019 and 2018, respectively. The amounts are included in Due From the University of Central Florida on the accompanying statement of net position. Section 1011.42(5), Florida Statutes, authorizes universities and their component units to invest funds with the State Treasury and State Board of Administration, and requires that these entities comply with the statutory requirements governing investment of public funds by local governments. Accordingly, universities and their component units are subject to the requirements of Chapter 218, Part IV, Florida Statutes. The University's Board of Trustees has adopted a written investment policy establishing investment parameters within applicable Florida Statutes and the University investment manual. Pursuant to Section 218.415(16), Florida Statutes, the Corporation is authorized to invest in the Florida PRIME investment pool administered by the State Board of Administration (SBA); interest-bearing time deposits and savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interests in, certain open-end or closed-end management type investment companies; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and other investments approved by the University's Board of Trustees as authorized by law.

Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The money market funds invest in diversified portfolios of high-quality, dollar-denominated short-term debt securities.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Pursuant to Section 218.415(16), *Florida Statutes*, the Corporation's investments in securities must provide sufficient liquidity to pay obligations as they come due.

*Credit Risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Money market funds are uninsured and collateralized by securities held by the institution, not in the Corporation's name. The University's investment policy limits fixed income exposure to investment grade assets and provides credit quality guidelines applicable to the investment objective. The University's investment policy and manual provides information on asset classes, target allocations, and ranges of acceptable investment categories.

(Continued)

**LIMBITLESS SOLUTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

(2) **Cash and Cash Equivalents:** (Continued)

*Custodial Credit Risk:* Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In order to manage the custodial credit risk, the University's investment policy specifies certain requirements to pre-qualify financial institutions and brokers/dealers. The Corporation's investments are held by a third-party custodian, not in the name of the Corporation.

(3) **Capital Assets:**

Capital assets activity for the year ended at June 30, 2019, was as follows:

|                                          | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
|------------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Depreciable capital assets:              |                              |                  |                  |                           |
| Furniture & Equipment                    | \$ 141,440                   | \$ 122,428       | \$ -             | \$ 263,868                |
| Total depreciable capital assets         | 141,440                      | 122,428          | -                | 263,868                   |
| Accumulated depreciation                 | (44,141)                     | (44,701)         | -                | (88,842)                  |
| Total depreciable capital assets,<br>net | <u>\$ 97,299</u>             | <u>\$ 77,727</u> | <u>\$ -</u>      | <u>\$ 175,026</u>         |

Capital assets activity for the year ended at June 30, 2018, was as follows:

|                                          | <b>Beginning<br/>Balance</b> | <b>Additions</b> | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
|------------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Depreciable capital assets:              |                              |                  |                  |                           |
| Furniture & Equipment                    | \$ 87,440                    | \$ 54,000        | \$ -             | \$ 141,440                |
| Total depreciable capital assets         | 87,440                       | 54,000           | -                | 141,440                   |
| Accumulated depreciation                 | (21,253)                     | (22,888)         | -                | (44,141)                  |
| Total depreciable capital assets,<br>net | <u>\$ 66,187</u>             | <u>\$ 31,112</u> | <u>\$ -</u>      | <u>\$ 97,299</u>          |

(4) **Related Party Transactions:**

The Foundation plans and implements annual giving, major giving, planned giving and stewardship for the University. It exercises fiduciary management of those gifts and complies with federal and state laws governing gifts. The Foundation receives, processes and acknowledges gifts, handles the investment of funds for gift-related funds and maintains all gift records of UCF. During the 2019 fiscal year, the Foundation transferred \$122,347 of the donations they received to support the operating activities of the Corporation.

(Continued)

**LIMBITLESS SOLUTIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

(4) **Related Party Transactions:** (Continued)

The Research Foundation provides assistance to the research activities of University faculty, staff and students. It accepts and administers contracts, grants, and other sponsored activities as well as appropriate donations, the majority coming from private funds. The Research Foundation houses the funds for the clinical trial activity of the Corporation. At the end of 2019, the Corporation recorded all clinical trial activity that had occurred for the year and recorded a Due from the UCF Research Foundation of \$23,210 for the remaining cash balance left in the account. The Corporation has no policy requiring collateral or other security to support receivables from related parties. Related party receivables and payables are as follows at June 30:

|                                            | <u>2019</u> | <u>2018</u> |
|--------------------------------------------|-------------|-------------|
| Due from the University of Central Florida | \$ 142,351  | \$ 121,290  |
| Due from the UCF Foundation                | 9,996       | 13,012      |
| Due from the UCF Research Foundation       | 23,210      | -           |

**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**

Board of Directors  
Limbless Solutions, Inc.  
Orlando, 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 Limbless Solutions, Inc. (the "Corporation"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated September 26, 2019.

**Internal Control Over Financial Reporting**

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

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(Continued)

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation'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 over financial reporting 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.



Crowe LLP

Tampa, Florida  
September 26, 2019

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH  
SECTION 218.415, *FLORIDA STATUTES***

Board of Directors  
Limbless Solutions, Inc.  
Orlando, Florida

We have examined Limbless Solutions, Inc.'s (the "Corporation") compliance with Section 218.415, *Florida Statutes*, concerning the investment of public funds during the year ended June 30, 2019. Management of the Corporation is responsible for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the requirements contained in Section 218.415, *Florida Statutes*, during the year ended June 30, 2019.

The purpose of this report is solely to comply with Chapter 10.550, *Rules of the Florida Auditor General*. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Tampa, Florida  
September 26, 2019