

**UNIVERSITY OF FLORIDA COLLEGE OF
PHARMACY FACULTY PRACTICE
ASSOCIATION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

**UNIVERSITY OF FLORIDA COLLEGE OF
PHARMACY FACULTY PRACTICE ASSOCIATION, INC.
TABLE OF CONTENTS
JUNE 30, 2019 AND 2018**

	<u>Page(s)</u>
Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 6
Financial Statements	
Statements of Net Position	7
Statements of Revenues, Expenses and Changes in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10 – 12
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13 – 14

INDEPENDENT AUDITORS' REPORT

Board of Directors,
University of Florida College of Pharmacy
Faculty Practice Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Florida College of Pharmacy Faculty Practice Association, Inc. (the Association), a component unit of the University of 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 Association's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Association's 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.

Auditors' 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 audits 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 Association, as of June 30, 2019 and 2018, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

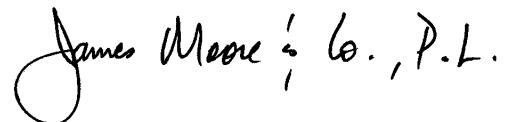
Other Matters

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 6 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 August 29, 2019 on our consideration of the Association'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 Association's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looping initial 'J'.

Gainesville, Florida
August 29, 2019

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018**

This section of the University of Florida, College of Pharmacy Faculty Practice Association, Inc.’s (the “Association”) Annual Report presents management’s discussion and analysis of the Association’s financial performance during the fiscal years ended June 30, 2019 and 2018. This discussion has been prepared by management and should be read in conjunction with the financial statements and footnotes. The financial statements, footnotes and this discussion and analysis are the responsibility of management.

While maintaining financial health is crucial to the long term viability of the Association, the primary mission of the Association is to bill and collect fees for the clinical practice activities of the College of Pharmacy’s faculty. These fees support the educational, clinical and research mission of the College of Pharmacy of the University of Florida. Therefore, net assets are accumulated only as required to ensure that there are sufficient reserve funds for future operations and implementation of new programs of the College of Pharmacy.

FINANCIAL HIGHLIGHTS

- The overall financial condition of the Association noticed an operating loss. There was also a decrease in operating revenues over the prior fiscal year due to the reduction in the number of clinical service contracts engaged by the faculty for the Association.
- Net position decreased by \$2,293,768, or 96% below the prior fiscal year, primarily due to the transfer of \$1,613,156 of investments to the College of Pharmacy of the University of Florida. Management strategically transferred these funds to invest in its educational and research missions.

USING THIS ANNUAL REPORT

This annual report consists of financial statements prepared in accordance with the Governmental Accounting Standards Board Statement 35, *Basic Financial Statements—and Management’s Discussion and Analysis for Public Colleges and Universities*. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

NET POSITION

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2019 vs. 2018</u>	
				<u>Increase (Decrease)</u>	<u>Percent Change</u>
Assets					
Cash and cash equivalents	\$ 143,202	\$ 757,667	\$ 1,685,812	\$ (614,465)	(81%)
Due from UF	-	1,613,156	1,613,156	(1,613,156)	(100%)
Accounts receivable	667,751	341,814	1,170,053	325,937	95%
Total Assets	<u>\$ 810,953</u>	<u>\$ 2,712,637</u>	<u>\$ 4,469,021</u>	<u>\$ (1,901,684)</u>	<u>(70%)</u>

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)**

At June 30, 2019, total assets were \$810,953, which consists of cash and accounts receivable. Assets decreased by \$1,901,684 due to decrease in program revenue and increase in general operating support to UF in comparison to the prior year.

	2019	2018	2017	2019 vs. 2018	
				Increase	Percent Change
Liabilities					
Accounts payable and other accrued expenses	\$ 704,717	\$ 312,633	\$ 1,337,759	\$ 392,084	125%
Deferred revenue	-	-	16,667	-	0%
Total liabilities	<u>\$ 704,717</u>	<u>\$ 312,633</u>	<u>\$ 1,354,426</u>	<u>\$ 392,084</u>	<u>125%</u>

At June 30, 2019, total liabilities were \$704,717. Liabilities consist of accounts payable associated with professional service fees related to clinical service contracts. Liabilities for the year ended June 30, 2019 increased by \$392,084 or 125% over the prior year. The increase in liabilities from the prior year was related to the associated increase in accounts receivable.

Current Ratio

The Association's current assets of \$810,953 were sufficient to cover the current liabilities of \$704,717 with a ratio of approximately 1 to 1. The ratio for the prior fiscal year was approximately 9 to 1.

Net Position

Total net position of \$106,236 at June 30, 2019 represents a decrease of \$2,293,768 or 96%, from \$2,400,004 at June 30, 2018. Factors that contributed to this decrease were the increase in transfers to the University of Florida for general operating support.

CHANGES IN NET POSITION

	2019	2018	2017	2019 vs. 2018	
				Increase (Decrease)	Percent Change
Operating revenues					
Program revenues	\$ 6,746,303	\$ 8,557,610	\$10,733,462	\$ (1,811,307)	(21%)
Operating expenses					
Professional services	6,406,346	7,874,500	9,690,687	(1,468,154)	(19%)
Operating income	<u>339,957</u>	<u>683,110</u>	<u>1,042,775</u>	<u>(343,153)</u>	<u>(50%)</u>
Nonoperating expenses					
Transfers to University of Florida for general support	(2,633,725)	(1,397,701)	(1,085,818)	(1,236,024)	(88%)
Net change in net position	<u>\$ (2,293,768)</u>	<u>\$ (714,591)</u>	<u>\$ (43,043)</u>	<u>\$ (1,579,177)</u>	<u>(221%)</u>

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)**

Operating Revenues

Current year operating revenues exceeded operating expenses by \$339,957. The total operating revenue is derived from clinical service contracts engaged by the faculty for the Association. These billings for services provide the total operating income for the Association. Currently, operating income has decreased from the prior year by \$343,153. This decrease is a product of the faculty's cyclical nature of contract negotiation, performance, and conclusion of programs. Contracts generally have a two to three-year life, and, as a result, influence operating income.

Operating Expenses

Current year operating expenses were \$6,406,346, decreasing 19%. The expenses were comprised of the following category: Professional Services, \$6,406,346. The College uses the production of the Association to pay for operational costs, such as professional services of accountants, attorneys, and consultants. The most noticeable change from last year is an increase in transfers to the University of Florida for general operating support.

Nonoperating Revenues and Expenses

There was no non-operating revenue earned for the current or prior years.

CASH FLOWS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2019 vs. 2018</u>	
				<u>Increase (Decrease)</u>	<u>Percent Change</u>
Cash provided by (used in):					
Operating activities	\$ 406,104	\$ 469,556	\$ 1,402,251	\$ (63,452)	(14%)
Noncapital financing activities	(1,020,569)	(1,397,701)	(1,085,818)	377,132	27%
Net increase (decrease) in cash and cash equivalents	<u>(614,465)</u>	<u>(928,145)</u>	<u>316,433</u>	<u>(313,680)</u>	<u>(34%)</u>
Cash and cash equivalents, beginning of year	757,667	1,685,812	1,369,379	(928,145)	(55%)
Cash and cash equivalents, end of year	<u>\$ 143,202</u>	<u>\$ 757,667</u>	<u>\$ 1,685,812</u>	<u>\$ (614,465)</u>	<u>(81%)</u>

During the current year, total cash decreased by \$614,465.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019 AND 2018
(Continued)**

Funds from Operating Activities

During the current year, net cash provided by operating activities decreased by \$63,452. This was the result of increased transfers to the University of Florida for professional services and general operating support.

Funds from Investing Activities

During the current year, there were no investing activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Currently, the Association holds no capital assets and did not donate any property to the University of Florida as has happened in previous years.

Bond, Notes, and Capital Leases

Currently, the Association has not issued any bonds, notes, or entered into any capital leasing arrangements. It does not anticipate, at this time, issuing any instruments of this type in the future.

ECONOMIC FACTORS

The factors that are likely to affect the operational ability of the Association to perform its mission are related to the continuing strengths or weaknesses in the state economy as a whole. Generally, the revenues derived by faculty members come from corporate sources, or, in some cases, state agencies. These sources are sensitive to the overall state of the economy in Florida, and, to a lesser extent, the economy of the nation as well. The Association's budget derived from the State of Florida has a marginal impact on the Association, primarily through the hiring of new faculty or the reduction of other faculty that may ensue from budget cuts. The Association has developed a strategy that has minimized the effect of these changes and does not foresee any large impact occurring as a result. The Association is not as involved in the effects of HIPAA on clinical service entities such as the UF Health Clinics or College of Medicine, due to the third party provider nature of its clinical services. However, the Association does have a HIPAA coordinator identified, coordinating issues as they arise, with the providers affected by the necessary changes, in conjunction with the Health Science Center's HIPAA coordinator.

CONTACTING THE ASSOCIATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Association's Board of Directors and creditors and the Board of Trustees of the University of Florida with a general overview of the Association's finances. If you have questions about this report or need additional information, contact Kelly Sharp, the Executive Vice President of the Association, at (352) 273-6611.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018**

	2019	2018
Current assets		
Cash and cash equivalents	\$ 143,202	\$ 757,667
Due from University of Florida	-	1,613,156
Accounts receivable	667,751	341,814
Total current assets	810,953	2,712,637
Current liabilities		
Accounts payable and other accrued expenses	704,717	312,633
Total current liabilities	704,717	312,633
Net position		
Unrestricted	\$ 106,236	\$ 2,400,004

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

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Operating revenues		
Program revenues	\$ 6,746,303	\$ 8,557,610
Operating expenses		
Transfers to University of Florida for professional services	6,406,346	7,874,500
Operating income	339,957	683,110
Nonoperating expenses		
Transfers to University of Florida for general support	(2,633,725)	(1,397,701)
Total nonoperating expenses	(2,633,725)	(1,397,701)
Decrease in net position	(2,293,768)	(714,591)
Net position, beginning of year	2,400,004	3,114,595
Net position, end of year	\$ 106,236	\$ 2,400,004

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

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Cash flows from operating activities		
Cash received from consulting services	\$ 6,420,366	\$ 9,369,182
Payments to the University of Florida - professional services	(6,014,262)	(8,899,626)
Net cash provided by operating activities	406,104	469,556
Cash flows from noncapital financing activities		
Transfers to the University of Florida - general support	(1,020,569)	(1,397,701)
Net decrease in cash and cash equivalents	(614,465)	(928,145)
Cash and cash equivalents, beginning of year	757,667	1,685,812
Cash and cash equivalents, end of year	\$ 143,202	\$ 757,667
Reconciliation of operating income to cash provided by operating activities		
Operating income	\$ 339,957	\$ 683,110
Adjustments to reconcile operating income to cash provided by operating activities:		
(Increase) Decrease in accounts receivable	(325,937)	828,239
Increase (Decrease) in accounts payable and accrued expenses	392,084	(1,025,126)
Decrease in deferred revenue	-	(16,667)
Net cash provided by operating activities	\$ 406,104	\$ 469,556
Supplemental cash flow information		
Transfer of balance held with the University of Florida to the University of Florida College of Pharmacy	\$ 1,613,156	\$ -

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

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(1) **Reporting Entity:**

The University of Florida College of Pharmacy Faculty Practice Association, Inc. (the “Association”) is a not-for-profit corporation formed by the University of Florida College of Pharmacy in 1998. The Association performs billing and collection of fees associated with the practice of pharmacy at the University of Florida College of Pharmacy. The Association funds salary supplements and other related costs for the benefit of the faculty of the College of Pharmacy. The Association also transfers funds to the University of Florida (the “University”) in the furtherance of its above stated purpose. The Association is an affiliated Association and a component unit of the University of Florida and is, therefore, included by discrete presentation in the financial statements of that reporting entity.

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

(a) **Basis of presentation**—For financial reporting purposes, the Association is considered a special-purpose government engaged only in business-type activities. Accordingly, the Association prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. The Association’s accounting policies conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(b) **Cash and cash equivalents**—For purposes of reporting cash flows, cash includes cash and interest bearing deposits with original maturity dates of less than 90 days and overnight repurchase agreements.

(c) **Due from University of Florida**—The Association transfers excess operating cash to the University of Florida and withdraws funds as needed for operations.

(d) **Revenues**—Revenues are recorded as services are provided and are derived principally from corporate pharmaceutical sponsors for specific clinical services that are administered by the University of Florida College of Pharmacy.

(e) **Expenditures**—Expenditures are recognized on the accrual basis of accounting. Payment of non-faculty salaries and purchases of equipment and supplies are accomplished by the Association through transfers to the University of Florida Miscellaneous Gifts and Grants Fund.

(f) **Classification of revenues**—The Association classifies its revenues as operating or non-operating according to the following criteria:

(i) **Operating revenues**—include the primary activities of contributions from donors, program revenues, rental activities, and special events.

(ii) **Non-operating revenues**—include revenues derived from investments and contributions restricted for capital additions or endowments.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

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

(g) **Net position**—The Association’s net position is classified as follows:

(i) **Restricted**—represent assets that are restricted in purpose.

(ii) **Unrestricted**—represents assets that are not restricted for any purpose and available for current operations.

The Association uses restricted expendable net position to fund allowable expenses to the extent available. As of June 30, 2019 and 2018, the Association had no restricted net position.

(h) **Income taxes**—The Association has been granted an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association annually files a Form 990, “Return of Association Exempt from Income Tax” with the Internal Revenue Service. The Association’s income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Association has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with the 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 Association.

(i) **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. These estimates and assumptions affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

(j) **Donated Services**—The Association occupies space at the University of Florida College of Pharmacy and is assisted by employees of the University. Since there is no clearly measurable basis to value these contributed services, the value of such services is not recorded in the accompanying financial statements.

(k) **Subsequent events**—The Association has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 29, 2019, the date the financial statements were available for issue. No subsequent events have been recognized or disclosed.

(3) **Related Parties:**

Effective July 1, 2014, the Association entered into an agreement with the University where substantially all investments and excess operating cash is held by the University on behalf of the Association. All earnings, losses and associated fees related to these funds will be retained or paid by the University. The Association has same day liquidity in regards to these funds up to \$10,000,000. A withdrawal of more than \$10,000,000 requires two days written notice. During 2019, the balance of these funds held by the University was transferred to the University of Florida College of Pharmacy. At June 30, 2019, there was no balance due from the University of Florida. At June 30, 2018, the balance of these funds held by the University was \$1,613,156. These funds are shown as Due from University of Florida on the Statements of Net Position.

As of June 30, 2019 and 2018, all accounts payable and other accrued expenses are due to the University of Florida.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

(4) **Concentration of Credit Risk:**

(a) **Demand deposits**—The Association has demand deposits with one regional bank with bank balances totaling \$145,816 and \$856,160 at June 30, 2019 and 2018, respectively. The Association has no policy requiring collateral or other security to support its deposits, although all demand deposits with banks are federally insured up to \$250,000 under FDIC protection.

(b) **Accounts receivable**—Approximately 93% and 92% of the Association's accounts receivable was due from one customer and three customers at June 30, 2019 and 2018, respectively.

(5) **Risk Management:**

The Association obtains professional liability protection coverage from the University of Florida self-insurance program that is paid for by the University of Florida College of Pharmacy.

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

Board of Directors,
University of Florida College of Pharmacy
Faculty Practice Association, Inc.:

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 University of Florida College of Pharmacy Faculty Practice Association, Inc. (the Association) as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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.

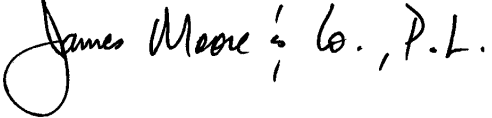
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Association'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.

James Moore & Co., P.L.

Gainesville, Florida
August 29, 2019