



**JAEB CENTER FOR HEALTH RESEARCH  
FOUNDATION, INC. AND AFFILIATE  
Consolidated Financial Statements  
December 31, 2021 and 2020**

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE  
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1106 N. FRANKLIN STREET  
TAMPA, FLORIDA 33602

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management  
Jaeb Center for Health Research Foundation, Inc. and Affiliate  
Tampa, Florida

### Opinion

We have audited the accompanying consolidated financial statements of Jaeb Center for Health Research Foundation, Inc. and affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Jaeb Center for Health Research Foundation, Inc. and affiliate as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jaeb Center for Health Research Foundation, Inc. and affiliate and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jaeb Center for Health Research Foundation, Inc. and affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## INDEPENDENT AUDITORS' REPORT (Continued)

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jaeb Center for Health Research Foundation, Inc. and affiliate 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jaeb Center for Health Research Foundation, Inc. and affiliate's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

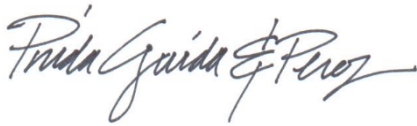
### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2022, on our consideration of Jaeb Center for Health Research Foundation, Inc. and affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jaeb Center for Health Research Foundation, Inc. and affiliate's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jaeb Center for Health Research Foundation, Inc. and affiliate's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Prida Guida Perez". The signature is written in a cursive, flowing style.

Prida Guida Perez P.A.  
Tampa, Florida  
September 23, 2022

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Consolidated Statements of Financial Position  
December 31, 2021 and 2020**

|                                       | December 31,  |               |
|---------------------------------------|---------------|---------------|
|                                       | 2021          | 2020          |
| <b>ASSETS</b>                         |               |               |
| Current assets                        |               |               |
| Cash and cash equivalents             | \$ 4,836,475  | \$ 12,375,572 |
| Government grants receivable          | 582,933       | 779,884       |
| Nongovernment grants receivable       | 1,698,539     | 332,955       |
| Investments                           | 29,277,438    | 25,944,006    |
| Total current assets                  | 36,395,385    | 39,432,417    |
| Operating lease right-of-use assets   | 1,298,617     | -             |
| Property and equipment                |               |               |
| Equipment                             | 1,568,465     | 1,224,430     |
| Leasehold improvements                | 520,608       | 510,389       |
|                                       | 2,089,073     | 1,734,819     |
| Accumulated depreciation              | (1,756,368)   | (1,159,514)   |
|                                       | 332,705       | 575,305       |
| Other assets                          | 36,324        | 36,365        |
| Total assets                          | \$ 38,063,031 | \$ 40,044,087 |
| <b>LIABILITIES AND NET ASSETS</b>     |               |               |
| Current liabilities                   |               |               |
| Accounts payable and accrued expenses | \$ 1,788,405  | \$ 1,909,009  |
| Deferred grant revenue                | 8,585,291     | 12,159,574    |
| Total current liabilities             | 10,373,696    | 14,068,583    |
| Operating lease liabilities           | 1,317,437     | -             |
| Total liabilities                     | 11,691,133    | 14,068,583    |
| Net assets                            |               |               |
| Without donor restrictions            | 9,234,665     | 7,057,430     |
| With donor restrictions               | 17,137,233    | 18,918,074    |
| Total net assets                      | 26,371,898    | 25,975,504    |
| Total liabilities and net assets      | \$ 38,063,031 | \$ 40,044,087 |

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**  
**Consolidated Statement of Activities for the Year Ended December 31, 2021**  
**With Summarized Financial Information for the Year Ended December 31, 2020**

|   | Net Assets Without Donor Restrictions |                           |                     | Net Assets                 | Summarized           |   |
|---|---------------------------------------|---------------------------|---------------------|----------------------------|----------------------|---|
|   | Program<br>Services                   | Management<br>and General | Total               | With Donor<br>Restrictions | Total                | Totals<br>Year Ended<br>December 31, 2020 |
| Support, revenue and gains on investments       |                                       |                           |                     |                            |                      |   |
| Government grant revenues                       |                                       |                           | \$ 14,676,230       | \$ -                       | \$ 14,676,230        | \$ 21,463,079                             |
| Nongovernment grant revenues                    |                                       |                           | 10,584,143          | 5,682,900                  | 16,267,043           | 15,411,543                                |
| Net assets released from restrictions           |                                       |                           | 7,463,741           | (7,463,741)                | -                    | -   |
|   |                                       |                           | <u>32,724,114</u>   | <u>(1,780,841)</u>         | <u>30,943,273</u>    | <u>36,874,622</u>                         |
| Investment income, net                          |                                       |                           | 1,193,849           | -                          | 1,193,849            | 668,958                                   |
| Total support, revenue and gains on investments |                                       |                           | <u>33,917,963</u>   | <u>(1,780,841)</u>         | <u>32,137,122</u>    | <u>37,543,580</u>                         |
| Expenses  |                                       |                           |                     |                            |                      |   |
| Subcontracts                                    | \$ 11,463,137                         | \$ -                      | 11,463,137          | -                          | 11,463,137           | 15,484,149                                |
| Salaries and benefits                           | 11,355,408                            | 4,083,846                 | 15,439,254          | -                          | 15,439,254           | 14,677,363                                |
| Office expenses and postage                     | 355,986                               | 66,869                    | 422,855             | -                          | 422,855              | 260,588                                   |
| Professional fees                               | 288,230                               | 43,918                    | 332,148             | -                          | 332,148              | 342,694                                   |
| Accounting and legal fees                       | -                                     | 73,976                    | 73,976              | -                          | 73,976               | 69,029                                    |
| Research expenses                               | 1,836,263                             | 1,407                     | 1,837,670           | -                          | 1,837,670            | 2,236,063                                 |
| Rent  | -                                     | 990,352                   | 990,352             | -                          | 990,352              | 927,725                                   |
| Travel  | 15,478                                | 6,699                     | 22,177              | -                          | 22,177               | 438,694                                   |
| Depreciation and amortization                   | -                                     | 242,600                   | 242,600             | -                          | 242,600              | 293,346                                   |
| Insurance-non payroll                           | 21,000                                | 94,760                    | 115,760             | -                          | 115,760              | 89,323                                    |
| Information technology expenses                 | 51,962                                | 496,841                   | 548,803             | -                          | 548,803              | 694,657                                   |
| Other   | 122,611                               | 129,385                   | 251,996             | -                          | 251,996              | 129,583                                   |
| Total expenses                                  | <u>\$ 25,510,075</u>                  | <u>\$ 6,230,653</u>       | <u>31,740,728</u>   | <u>-</u>                   | <u>31,740,728</u>    | <u>35,643,214</u>                         |
| Changes in net assets                           |                                       |                           | <u>2,177,235</u>    | <u>(1,780,841)</u>         | <u>396,394</u>       | <u>1,900,366</u>                          |
| Net assets, beginning of year                   |                                       |                           | <u>7,057,430</u>    | <u>18,918,074</u>          | <u>25,975,504</u>    | <u>24,075,138</u>                         |
| Net assets, end of year                         |                                       |                           | <u>\$ 9,234,665</u> | <u>\$ 17,137,233</u>       | <u>\$ 26,371,898</u> | <u>\$ 25,975,504</u>                      |

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**  
**Consolidated Statement of Activities for the Year Ended December 31, 2020**

|   | Net Assets Without Donor Restrictions |                           |               | Net Assets<br>With Donor |               |
|---|---------------------------------------|---------------------------|---------------|--------------------------|---------------|
|   | Program<br>Services                   | Management<br>and General | Total         | Restrictions             | Total         |
| Support, revenue and gains on investments       |                                       |                           |               |                          |               |
| Government grant revenues                       |                                       |                           | \$ 21,463,079 | \$ -                     | \$ 21,463,079 |
| Nongovernment grant revenues                    |                                       |                           | 6,844,802     | 8,566,741                | 15,411,543    |
| Net assets released from restrictions           |                                       |                           | 6,824,805     | (6,824,805)              | -             |
|   |                                       |                           | 35,132,686    | 1,741,936                | 36,874,622    |
| Investment income, net                          |                                       |                           | 668,958       | -                        | 668,958       |
| Total support, revenue and gains on investments |                                       |                           | 35,801,644    | 1,741,936                | 37,543,580    |
| Expenses  |                                       |                           |               |                          |               |
| Subcontracts                                    | \$ 15,484,149                         | \$ -                      | 15,484,149    | -                        | 15,484,149    |
| Salaries and benefits                           | 10,825,227                            | 3,852,136                 | 14,677,363    | -                        | 14,677,363    |
| Office expenses and postage                     | 164,408                               | 96,180                    | 260,588       | -                        | 260,588       |
| Professional fees                               | 298,684                               | 44,010                    | 342,694       | -                        | 342,694       |
| Accounting and legal fees                       | -                                     | 69,029                    | 69,029        | -                        | 69,029        |
| Research expenses                               | 2,232,745                             | 3,318                     | 2,236,063     | -                        | 2,236,063     |
| Rent  | -                                     | 927,725                   | 927,725       | -                        | 927,725       |
| Travel  | 426,124                               | 12,570                    | 438,694       | -                        | 438,694       |
| Depreciation and amortization                   | -                                     | 293,346                   | 293,346       | -                        | 293,346       |
| Insurance-non payroll                           | -                                     | 89,323                    | 89,323        | -                        | 89,323        |
| Information technology expenses                 | 185,615                               | 509,042                   | 694,657       | -                        | 694,657       |
| Other   | (2,031)                               | 131,614                   | 129,583       | -                        | 129,583       |
| Total expenses                                  | \$ 29,614,921                         | \$ 6,028,293              | 35,643,214    | -                        | 35,643,214    |
| Changes in net assets                           |                                       |                           | 158,430       | 1,741,936                | 1,900,366     |
| Net assets, beginning of year                   |                                       |                           | 6,899,000     | 17,176,138               | 24,075,138    |
| Net assets, end of year                         |                                       |                           | \$ 7,057,430  | \$ 18,918,074            | \$ 25,975,504 |



**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Consolidated Statement of Cash Flows**

|  | December 31, |               |
|--|--------------|---------------|
|  | 2021         | 2020          |
| Cash flows from operating activities                                       |              |               |
| Change in net assets   | \$ 396,394   | \$ 1,900,366  |
| Adjustments to reconcile changes in net assets to net cash from operations |              |               |
| Depreciation and amortization  | 242,600      | 293,346       |
| Net unrealized gains on investments  | (1,134,547)  | (437,199)     |
| Changes in:  |              |               |
| Government grants receivable   | 196,951      | 514,945       |
| Non government grants receivable   | (1,365,584)  | (249,572)     |
| Operating lease right-of-use asset and lease liability, net                | 18,820       | -             |
| Other assets   | 41           | -             |
| Accounts payable and accrued expenses                                      | (120,604)    | 291,938       |
| Deferred grant revenues  | (3,574,283)  | 2,418,563     |
| Net cash (used) provided by operating activities                           | (5,340,212)  | 4,732,387     |
| Cash flows from investing activities                                       |              |               |
| Sale of investments  | 5,035,202    | 7,161,213     |
| Purchase of investments  | (7,234,087)  | (14,540,952)  |
| Purchase of equipment  | -            | (259,730)     |
| Net cash (used) provided by investing activities                           | (2,198,885)  | (7,639,469)   |
| Net change in cash and cash equivalents                                    | (7,539,097)  | (2,907,082)   |
| Cash and cash equivalents, beginning of year                               | 12,375,572   | 15,282,654    |
| Cash and cash equivalents, end of year                                     | \$ 4,836,475 | \$ 12,375,572 |

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 1 – Nature of Activities**

Jaeb Center for Health Research Foundation, Inc. (“JCHRF”) and its affiliate, Jaeb Center Research Trust, Inc. (“JCRT”) (together, the “Organization”) conduct health research funded through grants awarded by the National Institutes of Health, private sector research grants, and contracts with pharmaceutical and biotech companies. The Organization acts as coordinating center for multi-center clinical trials and epidemiological research. The Organization’s focus is on projects involving eye disorders or type 1 diabetes.

**Note 2 – Summary of Significant Accounting Policies**

*Principles of consolidation* – The accompanying consolidated financial statements include the activities of JCHRF and JCRT. These two entities are related through an economic interest and JCHRF's common control. All significant interorganizational accounts and transactions have been eliminated in the consolidated financial statements. JCRT was organized to establish support for JCHRF by accepting funds from the federal government, nonprofit groups, and private groups, and subsequently transferring those funds to JCHRF in furtherance of its research activities.

In connection with its activities, JCRT maintains records to assure earmarked funds retain their identity from the time of receipt to the time the funds are transferred to JCHRF. JCHRF’s and JCRT’s board of directors are the same.

*Basis of accounting* – The accompanying consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

*Basis of presentation* – The Organization reports information regarding its financial position and activities using two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions** – Those resources not subject to grantor-imposed stipulations. The board of directors has discretionary control over these resources and amounts may be designated for specific purposes by action of the board of directors.

**Net assets with donor restrictions** – Those resources subject to grantor-imposed stipulations that may or will be satisfied by actions of the Organization or by the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

*Recently adopted accounting pronouncement* – In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, requiring lessees to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (a) A lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) A right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. Lessees will no longer be provided with a source of off-balance sheet financing. The Organization adopted this accounting policy effective January 1, 2021, using the retrospective method at the beginning of the period of adoption. There was no change to net assets in the statement of financial position as a result of this change in accounting policy.

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Cash and cash equivalents* – The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents for purposes of reporting cash flows.

*Grants receivable* – Grants receivable are stated at the amount management expects to collect from outstanding balances. At least annually, management reviews its receivable balances and estimates the portion, if any, that may not be collectible. All grants receivable at December 31, 2021 and 2020 are considered collectible by management, and no allowance for doubtful receivables has been provided.

*Investments* – Investment purchases are recorded at cost. Thereafter, investments are reported at their estimated fair value in the consolidated statements of financial position. Investment income is reported in the consolidated statements of activities and consists of interest and dividend income, and realized and unrealized capital gains and losses, less external investment expenses.

*Fair value* – The Organization defines fair value in accordance with U.S. GAAP, which specifies a hierarchy of valuation techniques. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3). The Organization measures investments at fair value on a recurring basis.

The following is a brief description of the type of valuation information (inputs) that qualifies a financial asset for each level:

**Level 1** – Unadjusted quoted market prices for identical assets or liabilities in active markets which are accessible by the Organization.

**Level 2** – Observable prices in active markets for similar assets or liabilities. Prices for identical or similar assets or liabilities in markets that are not active. Market inputs that are not directly observable but are derived from or corroborated by observable market data.

**Level 3** – Unobservable inputs based on the Organization’s own judgment as to assumptions a market participant would use, including inputs derived from extrapolation and interpolation that are not corroborated by observable market data.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. The Organization evaluates its hierarchy disclosures annually and, based on various factors, it is possible that an asset or liability may be classified differently from year to year. However, the Organization expects that changes in classifications between levels will be rare.

*Property and equipment* – Property and equipment are reported at cost, less accumulated depreciation. Depreciation is computed using the straight-line method of depreciation over the assets useful lives ranging from 3 to 10 years. Leasehold improvements are amortized over the lesser of the term of the lease or the estimated useful lives using the straight-line method.

Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The Organization has a capitalization threshold of \$5,000.

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Impairment of long-lived assets* – The Organization reviews the carrying values of long-lived assets for impairment whenever events or changes in circumstances indicate that the net carrying amount of an asset may not be recoverable. Recovery of the long-lived asset is measured by a comparison of the carrying amount of the asset to estimated future undiscounted cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount in which the carrying amount of the asset exceeds the estimated fair value of the asset. There are no indications of impairment during the years ended December 31, 2021 and 2020.

*Revenue recognition* – For reciprocal agreements, grant revenues are recognized when performance occurs pursuant to each grant agreement. For non-reciprocal agreements, revenues are recognized when received, or when any restrictions by donor have been met.

The Organization is required to comply with various specific grant requirements as well as general requirements applicable to federal grants awarded. Government grant revenues and associated expenditures are subject to audit by the grantor agencies. Grants received with grantor-imposed restrictions that are met in the same year as received are reported as revenues without donor restrictions.

*Functional allocation of expenses* – Costs of providing the various programs and other activities of the Organization have been detailed on both a natural and functional basis in the accompanying consolidated statements of activities. Expenses that can be identified with a specific program or support service are charged directly according to their natural expense classification. Salaries and other payroll expenses that are not directly allocable have been allocated among program and supporting services benefited based on estimated time and effort. Such allocations are determined by management on an equitable basis that is consistently applied.

*Income taxes* – Pursuant to determination letters received from the Internal Revenue Service (“IRS”), JCHRF and JCRT are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and have been determined not to be private foundations, and therefore are also exempt from state income tax.

Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Management believes JCHRF and JCRT met the requirements to maintain their tax-exempt status and have no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these consolidated financial statements. The income tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

*Use of estimates* – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 3 – Available Resources and Liquidity**

The Organization's goal is to ensure that all financial assets are properly invested based on anticipated future use. These are defined as operating funds, those required to fund current operations; restricted funds, those held for specific future research studies; and unrestricted funds, those having no restrictions and not needed to cover operating expenses.

The following represents the Organization's financial assets available to meet general expenditures over the next 12 months at December 31:

|   | <u>2021</u>          | <u>2020</u>          |
|---|----------------------|----------------------|
| Financial assets at year end:   |                      |                      |
| Cash and cash equivalents   | \$ 4,836,475         | \$ 12,375,572        |
| Government grants receivable  | 582,933              | 779,884              |
| Nongovernment grants receivable   | 1,698,539            | 332,955              |
| Investments   | <u>29,277,438</u>    | <u>25,944,006</u>    |
| Financial assets available to meet cash needs for<br>general expenditures within one year | <u>\$ 36,395,385</u> | <u>\$ 39,432,417</u> |

As part of its liquidity plan, the Organization invests operating funds into money market accounts, and places restricted funds and unrestricted funds for investment in certificates of deposit with a maximum value of \$250,000 each, and in a diversified mutual fund investment account. These investments are managed through JCRT and are intended to be invested with minimal to no risk. In addition, the Organization has a line of credit available for operating expenses. At December 31, 2020 the organization had \$1.1 million available to borrow and the line of credit was closed at December 31, 2021.

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 4 – Investments**

The following table provides information about the Organization’s investments and the estimated fair value measured on a recurring basis as well as the cost of investments at December 31:

|                         | Fair Value    | Cost          |
|-------------------------|---------------|---------------|
| <b>2021</b>             |               |               |
| Money market            | \$ 22,698,114 | \$ 17,144,720 |
| Fixed annuities         | 1,138,272     | 1,112,000     |
| Mutual funds            | 5,441,052     | 4,038,758     |
|                         | \$ 29,277,438 | \$ 22,295,478 |
| <b>2020</b>             |               |               |
| Certificates of deposit | \$ 4,766,822  | \$ 5,009,000  |
| Money market            | 15,470,030    | 15,462,681    |
| Fixed annuities         | 1,116,963     | 1,112,000     |
| Mutual funds            | 4,590,191     | 3,760,985     |
|                         | \$ 25,944,006 | \$ 25,344,666 |

The cost of investment securities sold is determined using the specific identification method. None of the Organization's investments are concentrated in a specific company or industry. Management's intention is to hold the investment portfolio available to meet financial obligations as needed, therefore, the entire investment balance is presented as a current asset in the accompanying consolidated statements of financial position.

Management reviews the classification of the Organization’s investments in the fair value hierarchy on an annual basis. A financial instrument’s level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

*Certificates of deposit* – The Organization invests in FDIC-insured brokered certificates of deposit issued by various U.S. banks. The fair market value of the certificates of deposit with maturities in excess of three months is determined using level 2 inputs.

*Money market* – The Organization invests in FDIC-insured money market funds held by various U.S. banks. The fair market value of money market funds is determined using level 2 inputs.

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 4 – Investments (Continued)**

*Fixed annuities* – Fair market value of the fixed annuities is based on the contract value less contract surrender charges and market value adjustments, if any. The contract value equals the accumulated cash contributions, interest credited to the contract, and transfers, if any, less any withdrawals and transfers, if any. These investments are classified within Level 3 of the valuation hierarchy.

*Mutual funds* – All of the Organization’s mutual funds are classified as Level 1 in the fair value hierarchy and are based on quoted prices in active markets.

The following summarizes the Organization’s investments as of December 31, 2021 and 2020 based upon the fair value hierarchy levels described in Note 2:

|                         | Fair Value Measurements Using: |   |   |  |
|-------------------------|--------------------------------|---|---|--|
|                         | Estimated<br>Fair Value        | Quoted Prices in<br>Active Markets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>2021</b>             |                                |   |   |  |
| Money market            | \$ 22,698,114                  | \$ -  | \$ 22,698,114   | \$ -   |
| Fixed annuities         | 1,138,272                      | -   | -   | 1,138,272  |
| Mutual funds            | 5,441,052                      | 5,441,052                                       | -   | -  |
|                         | \$ 29,277,438                  | \$ 5,441,052                                    | \$ 22,698,114   | \$ 1,138,272                                       |
| <b>2020</b>             |                                |   |   |  |
| Certificates of deposit | \$ 4,766,822                   | \$ -  | \$ 4,766,822  | \$ -   |
| Money market            | 15,470,030                     | -   | 15,470,030  | -  |
| Fixed annuities         | 1,116,963                      | -   | -   | 1,116,963  |
| Mutual funds            | 4,590,191                      | 4,590,191                                       | -   | -  |
|                         | \$ 25,944,006                  | \$ 4,590,191                                    | \$ 20,236,852   | \$ 1,116,963                                       |

The following is a summary of the changes in the fair value of the Organization’s Level 3 assets for the year ended December 31, 2021:

|                            |              |
|----------------------------|--------------|
| Balance, beginning of year | \$ 1,116,963 |
| Interest income            | 21,309       |
| Balance, end of year       | \$ 1,138,272 |

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 4 – Investments (Continued)**

Net investment income is as follows for the years ended December 31:

|                               | <u>2021</u>         | <u>2020</u>       |
|-------------------------------|---------------------|-------------------|
| Interest and dividend income  | \$ 59,231           | \$ 232,015        |
| Unrealized and realized gains | 1,134,725           | 437,198           |
| Investment fees               | <u>(107)</u>        | <u>(255)</u>      |
| Investment income, net        | <u>\$ 1,193,849</u> | <u>\$ 668,958</u> |

**Note 5 – Line of Credit**

The Organization has a line of credit from a financial institution that is due on demand. Interest on borrowings is payable monthly at 3.5%, per annum, as of at December 31, 2020. The line of credit is collateralized by an investment account. The Organization did not draw on the line of credit during the years ended December 31, 2021 and 2020. The line of credit was no longer available at December 31, 2021.

**Note 6 – Lease Commitments**

The Organization has a noncancelable operating lease for its office space that expires May 2023. Future minimum lease payments are as follows:

|      | <u>Year ending December 31,</u> |
|------|---------------------------------|
| 2022 | <u>\$ 909,115</u>               |
| 2023 | <u>\$ 383,480</u>               |

The weighted average remaining lease term for the Organization's operating leases is 1.4 years and weighted average discount rate is 2%. Rent expense was \$990,354 and \$927,725 for the years ended December 31, 2021 and 2020, respectively.

The Organization's office space lease requires it to make variable payments for the proportionate share of the building's common area maintenance. These variable lease payments are not included in lease payments used to determine lease liability and are recognized as variable costs when incurred.

The components of lease cost for the year ended December 31, 2021 are as follows:

|                      |                   |
|----------------------|-------------------|
| Operating lease cost | \$ 940,628        |
| Variable lease cost  | <u>49,726</u>     |
|                      | <u>\$ 990,354</u> |



**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 7 – Net Assets with Donor Restrictions**

Net assets with donor restrictions consists of grants restricted to expenditures that support the Organization's research efforts in the areas of diabetic retinopathy, diabetic macular edema, and artificial pancreases. Net assets released from net assets with donor restriction were released as expenditures for specific research efforts are incurred, satisfying purpose restrictions.

**Note 8 – Retirement Plan and Employee Benefits**

The Organization maintains a defined contribution 401(k) profit sharing plan (the Plan) in which employees are eligible to participate after meeting minimum employment requirements as defined in the Plan. The Organization contributes 3% of the participant's annual compensation as a safe harbor match and 2% of the participant's annual compensation as a profit-sharing contribution. Total employer contributions to the Plan were approximately \$596,000 and \$560,000 for the years ended December 31, 2021 and 2020, respectively.

The Organization provides a cafeteria style benefit plan under which substantially all fulltime employees receive a fringe benefit package equal to 20.63% of their base salary. The employees may choose to receive these benefits in the form of 401(k) contributions, medical, educational, or other qualifying benefits. Such benefits in the amounts of approximately \$2,474,000 and \$2,294,000 were expensed under this plan for the years ended December 31, 2021 and 2020, respectively, and are included in the consolidated statements of activities as a component of salaries and benefits. The Organization has no unfunded obligations with respect to this plan.

**Note 9 – Concentrations and Contingencies**

*Concentration of credit risk* – The Organization has cash and cash equivalents and investments in excess of amounts insured by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation insurance and potentially subject the Organization to credit losses. The Organization has not experienced losses in such accounts and management believes the risk of loss is remote.

*Concentration in funding sources* – The Organization receives a substantial amount of support from grantor agencies for its programs. If this support were to be reduced or eliminated, it could affect the operation of the supported programs.

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE**

**Notes to Consolidated Financial Statements  
December 31, 2021 and 2020**

**Note 9 – Concentrations and Contingencies (Continued)**

The Organization received significant grants from government and nongovernment sources for the years ended December 31 as follows:

|      | Number<br>of<br>Grantors | Percentage of Total Government Grant<br>Revenues | Percentage of<br>Total Grant<br>Revenues |
|------|--------------------------|--|--|
| 2021 | 2                        | 77%  | 36%                                      |
| 2020 | 3                        | 86%  | 50%                                      |

|      | Number<br>of<br>Grantors | Percentage of Total Nongovernment Grant<br>Revenues | Percentage of<br>Total Grant<br>Revenues |
|------|--------------------------|---|--|
| 2021 | 4                        | 78%   | 41%                                      |
| 2020 | 4                        | 82%   | 34%                                      |

As of December 31, 2021 and 2020, 92% and 87% of government grants receivable, respectively, are from two grantors. As of December 31, 2021 and 2020, 88% and 75% of nongovernment grants receivable, are from four and one grantors, respectively,

*Examination by grantor agencies* – The Organization is subject to examination by grantor agencies. If reimbursed expenditures were disallowed, repayment could be required.

**Note 10 – Subsequent Events**

Management of the Organization has evaluated subsequent events through September 23, 2022, the date which the consolidated financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through September 23, 2022, that would require adjustment to, or disclosure in, the consolidated financial statements.

**SUPPLEMENTAL INFORMATION**

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021**

| Federal Agency  |                   |                |                         |                                       |   |
|---|-------------------|----------------|-------------------------|---------------------------------------|---|
| Cluster name  |                   |                |                         |                                       |   |
| Awarding Agency   |                   |                |                         |                                       |   |
| Program title   |                   |                |                         |                                       |   |
| Program name  | Number            | CFDA<br>Number | Federal<br>Expenditures | Passed<br>Through to<br>Subrecipients |   |
| <b>Department of Health and Human Services</b>  |                   |                |                         |                                       |   |
| Research and Development Cluster  |                   |                |                         |                                       |   |
| <i>Passed-Through Trustees of Boston University</i>   |                   |                |                         |                                       |   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research  |                   |                |                         |                                       |   |
| Final Clinical Studies for Submission of a Pre-Market Approval Application to the FDA for a Bionic Pancreas that Automates Type 1 Diabetes Management                             |                   |                |                         |                                       |   |
|   | 4500002007        | 93.847         | \$ 656,184              | \$                                    | - |
| <i>Passed Through the University of Cambridge, UK</i>   |                   |                |                         |                                       |   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research  |                   |                |                         |                                       |   |
| Data Coordinating Center for Artificial Pancreas Studies  |                   |                |                         |                                       |   |
|   | 1U24DK123768-01   | 93.847         | 443,755                 |                                       | - |
| <i>Passed Through the University of Cambridge, UK</i>   |                   |                |                         |                                       |   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research  |                   |                |                         |                                       |   |
| One Year Day-and-Night Home Closed Loop in Young People with Type 1 Diabetes  |                   |                |                         |                                       |   |
|   | 1UK4DK108520-01   | 93.847         | 360,735                 |                                       | - |
| <i>Passed-Through McLean Hospital</i>   |                   |                |                         |                                       |   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research  |                   |                |                         |                                       |   |
| Glycemic Variability and Fluctuations in Cognitive Status in Adults with Type 1 Diabetes  |                   |                |                         |                                       |   |
|   | 1R01DK121240-01   | 93.847         | 273,414                 |                                       | - |
| <i>Direct Award - National Institute of Diabetes and Digestive Kidney Diseases</i>  |                   |                |                         |                                       |   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research  |                   |                |                         |                                       |   |
| A Randomized Cross-Over Trial Evaluating Automated Insulin Delivery Technologies on Glycemic Outcomes and Quality of Life in Older Adults with Type 1 Diabetes                    |                   |                |                         |                                       |   |
|   | 1R01DK122603-01   | 93.847         | 683,085                 |                                       | - |
| <i>Passed-Through Health Partners Institute</i>   |                   |                |                         |                                       |   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research  |                   |                |                         |                                       |   |
| Home Use of MD-Logic Automated Insulin Delivery System: Safety and Efficacy   |                   |                |                         |                                       |   |
|   | 852223-JAEB       | 93.847         | 124,395                 |                                       | - |
| <i>Passed Through the University of Virginia</i>  |                   |                |                         |                                       |   |
| Diabetes, Digestive, and Kidney Diseases Extramural Research  |                   |                |                         |                                       |   |
| Translation of the UVA Advanced Automated Insulin Delivery Systems to Clinical Care in Young Children: Glycemic Control, Regulatory Acceptance and Optimization of Day to Day Use |                   |                |                         |                                       |   |
|   | GB10908           | 93.847         | 349,184                 |                                       | - |
| Subtotal - CFDA 93.847  |                   |                |                         |                                       |   |
|   |                   |                | 2,890,752               |                                       | - |
| <i>Passed-Through National Eye Institute</i>  |                   |                |                         |                                       |   |
| Vision Research   |                   |                |                         |                                       |   |
| Diabetic Retinopathy Clinical Research Network Coordinating Center  |                   |                |                         |                                       |   |
|   | 2UG1EY014231-18   | 93.867         | 5,542,525               |                                       | - |
| Pediatric Eye Disease Investigator Group Coordinating Center  |                   |                |                         |                                       |   |
|   | 2UG1EY011751-23   | 93.867         | 5,728,511               |                                       | - |
| Safety and Feasibility of Cultivated Autologous Limbal Epithelial Cell Transplantation in the Treatment of Limbal Stem Cell Deficiency  |                   |                |                         |                                       |   |
|   | 5UG1EY027725-03   | 93.867         | 179,769                 |                                       | - |
| Diabetes Endothelial Keratoplasty Study: Impact of Diabetes on Corneal Transplant Success and Cell Loss   |                   |                |                         |                                       |   |
|   | 1UG1EY030030-01A1 | 93.867         | 334,673                 |                                       | - |
| Subtotal - CFDA 93.867  |                   |                |                         |                                       |   |
|   |                   |                | 11,785,478              |                                       | - |
| Total   |                   |                |                         |                                       |   |
|   |                   |                | \$ 14,676,230           | \$                                    | - |

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE  
Notes to Schedule of Expenditures of Federal Awards  
December 31, 2021**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal contract and grant activity of Jaeb Center for Health Research Foundation, Inc. and affiliate (the “Organization”). The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the schedule presents only a select portion of the operations of the Organization, it is not intended to, and does not present the consolidated financial position, activities, or cash flows of the Organization.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 – Indirect Cost Rate**

The Organization has elected not to use the 10-percent de minimis cost rate allowed under the Uniform Guidance.

**Note 4 – Contingencies**

Grant expenditures incurred by the Organization are subject to audit and possible disallowance by federal grantor agencies. If any expenditure were to be disallowed by the grantor agency as a result of such an audit, any claim for reimbursement to the grantor agency would become a liability of the Organization. In the opinion of management, all grant expenditures included on the accompanying schedule are in compliance with the terms of the grant agreements and applicable federal laws and regulations.



PRIDA, GUIDA & PEREZ, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
1106 N. FRANKLIN STREET  
TAMPA, FLORIDA 33602

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

To the Board of Directors  
Jaeb Center for Health Research Foundation, Inc. and Affiliate  
Tampa, 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 consolidated financial statements of Jaeb Center for Health Research Foundation, Inc. and affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 23, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Jaeb Center for Health Research Foundation, Inc. and affiliate'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jaeb Center for Health Research Foundation, Inc. and affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Jaeb Center for Health Research Foundation, Inc. and affiliate'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 consolidated 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.

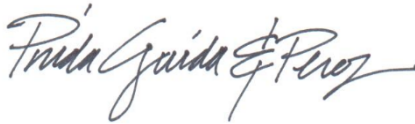
**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS* (Continued)**

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Jaeb Center for Health Research Foundation, Inc. and affiliate's consolidated financial statements are free of 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 consolidated 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 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.



Prida Guida Perez P.A.  
Tampa, Florida  
September 23, 2022



PRIDA, GUIDA & PEREZ, P.A.  
CERTIFIED PUBLIC ACCOUNTANTS  
1106 N. FRANKLIN STREET  
TAMPA, FLORIDA 33602

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Jaeb Center for Health Research Foundation, Inc. and Affiliate  
Tampa, Florida

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Jaeb Center for Health Research Foundation, Inc. and affiliate's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Jaeb Center for Health Research Foundation, Inc. and affiliate's major federal programs for the year ended December 31, 2021. Jaeb Center for Health Research Foundation, Inc. and affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jaeb Center for Health Research Foundation, Inc. and affiliate 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 federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jaeb Center for Health Research Foundation, Inc. and affiliate and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jaeb Center for Health Research Foundation, Inc. and affiliate's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Jaeb Center for Health Research Foundation, Inc. and affiliate's federal programs.



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE (Continued)**

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jaeb Center for Health Research Foundation, Inc. and affiliate's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jaeb Center for Health Research Foundation, Inc. and affiliate's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jaeb Center for Health Research Foundation, Inc. and affiliate's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jaeb Center for Health Research Foundation, Inc. and affiliate's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jaeb Center for Health Research Foundation, Inc. and affiliate's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**Report on Internal Control over Compliance**

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, reading "Prida Guida Perez". The signature is written in a cursive, flowing style.

Prida Guida Perez P.A.  
Tampa, Florida  
September 23, 2022

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE  
Schedule of Findings and Questioned Costs  
December 31, 2021**

**Section 1 – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued Unmodified

Internal control over the financial reporting

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

**Federal Award Programs**

Internal Control over major programs

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? \_\_\_\_\_ yes   X   no

Identification of major programs:

| <u>Assistance Listing Number</u> | <u>Name of Federal Program</u>                               |
|----------------------------------|--|
| 93.847                           | Diabetes, Digestive, and Kidney Diseases Extramural Research |
| 93.867                           | Vision Research  |

Dollar threshold used to distinguish between type A and type B federal programs \$750,000

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ No

**JAEB CENTER FOR HEALTH RESEARCH FOUNDATION, INC.  
AND AFFILIATE  
Schedule of Findings and Questioned Costs (Continued)  
December 31, 2021**

**Section 2 – Financial Statement Findings**

No matters were reported for the year ended December 31, 2021.

**Section 3 – Federal Award Findings and Questioned Costs**

No matters were reported for the year ended December 31, 2021.

**Section 4 – Other Issues**

A summary schedule of prior audit findings is not presented because there were no prior audit findings.