

**IMMUNE DEFICIENCY
FOUNDATION**

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

IMMUNE DEFICIENCY FOUNDATION

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-3
Financial Statements	
Statements of Financial Position	4
Statement of Activities for the Year Ended December 31, 2021	5
Statement of Activities for the Year Ended December 31, 2020.....	6
Statement of Functional Expenses for the Year Ended December 31, 2021	7
Statement of Functional Expenses for the Year Ended December 31, 2020.....	8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10-20
Additional Reports and Supplementary Information	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	23-25
Schedule of Expenditures of Federal Awards.....	26
Schedule of Findings and Questioned Costs.....	27



**HANDWERGER, CARDEGNA,
FUNKHOUSER & LURMAN, P.A.**

To the Board of Trustees
Immune Deficiency Foundation
Towson, Maryland

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying statements of financial position of Immune Deficiency Foundation (the "Foundation"), as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation 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 audits in accordance with auditing standards generally accepted in the United States of America. 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Board of Trustees
Immune Deficiency Foundation

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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. Misstatements, including omissions, 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 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 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 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 the Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of Trustees
Immune Deficiency Foundation

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2022, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Handwerger, Cardegna, Funkhouser & Lurman, P.A.

Handwerger, Cardegna, Funkhouser & Lurman, P.A.
Timonium, Maryland
June 18, 2022

IMMUNE DEFICIENCY FOUNDATION

Statements of Financial Position December 31, 2021 and 2020

<u>ASSETS</u>		
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 689,372	\$ 905,660
Investments		
Board designated	4,505,303	4,117,192
Other	848,247	1,336,459
Accounts receivable	430,471	198,385
Prepaid expenses and other assets	<u>167,228</u>	<u>224,068</u>
Total Current Assets	<u>6,640,621</u>	<u>6,781,764</u>
Long-Term Assets		
Investments		
Board designated	7,297,781	5,483,828
Property and equipment, net of accumulated depreciation and amortization	<u>348,825</u>	<u>124,269</u>
Total Long-Term Assets	<u>7,646,606</u>	<u>5,608,097</u>
Total Assets	<u>\$ 14,287,227</u>	<u>\$ 12,389,861</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 404,082	\$ 336,979
Deferred rent	19,864	38,633
Paycheck Protection Program loan	-	531,049
Current portion of capital leases	<u>16,372</u>	<u>16,372</u>
Total Current Liabilities	<u>440,318</u>	<u>923,033</u>
Long-Term Liabilities		
Long-term portion of capital leases	<u>4,458</u>	<u>20,830</u>
Total Long-Term Liabilities	<u>4,458</u>	<u>20,830</u>
Total Liabilities	<u>444,776</u>	<u>943,863</u>
Net Assets		
Without Donor Restrictions		
Operating	1,454,273	1,102,614
Board designated	<u>11,895,132</u>	<u>9,693,069</u>
Total Net Assets Without Donor Restriction	<u>13,349,405</u>	<u>10,795,683</u>
With Donor Restrictions	<u>493,046</u>	<u>650,315</u>
Total Net Assets	<u>13,842,451</u>	<u>11,445,998</u>
Total Liabilities and Net Assets	<u>\$ 14,287,227</u>	<u>\$ 12,389,861</u>

IMMUNE DEFICIENCY FOUNDATION

Statement of Activities
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restriction</u>	<u>Total</u>
Support and Revenue			
Contributions and grants	\$ 5,627,500	\$ 410,171	\$ 6,037,671
Government grants and other contract revenue	2,167,844	-	2,167,844
Investment income, net	1,267,100	-	1,267,100
Other income	540,483	-	540,483
Special events	406,970	-	406,970
Net Assets Released from Restrictions	<u>567,440</u>	<u>(567,440)</u>	<u>-</u>
Total Support and Revenue	<u>10,577,337</u>	<u>(157,269)</u>	<u>10,420,068</u>
Expenses			
Program Services			
Medical and scientific	757,081	-	757,081
Services to patients and families	<u>5,205,460</u>	<u>-</u>	<u>5,205,460</u>
Total Program Services	<u>5,962,541</u>	<u>-</u>	<u>5,962,541</u>
Supporting Services			
Administration and finance	1,268,203	-	1,268,203
Marketing and fundraising	<u>792,871</u>	<u>-</u>	<u>792,871</u>
Total Supporting Expenses	<u>2,061,074</u>	<u>-</u>	<u>2,061,074</u>
Total Expenses	<u>8,023,615</u>	<u>-</u>	<u>8,023,615</u>
Change in Net Assets	2,553,722	(157,269)	2,396,453
Net Assets - Beginning of Year	<u>10,795,683</u>	<u>650,315</u>	<u>11,445,998</u>
Net Assets - End of Year	<u>\$ 13,349,405</u>	<u>\$ 493,046</u>	<u>\$ 13,842,451</u>

IMMUNE DEFICIENCY FOUNDATION

Statement of Activities Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restriction	Total
Support and Revenue			
Contributions and grants	\$ 4,246,672	\$ 668,168	\$ 4,914,840
Government grants and other contract revenue	1,255,835	-	1,255,835
Investment income, net	882,451	-	882,451
Other income	8,586	-	8,586
Special events	313,377	-	313,377
Net Assets Released from Restrictions	<u>559,124</u>	<u>(559,124)</u>	<u>-</u>
Total Support and Revenue	<u>7,266,045</u>	<u>109,044</u>	<u>7,375,089</u>
Expenses			
Program Services			
Medical and scientific	754,445	-	754,445
Services to patients and families	<u>4,259,764</u>	<u>-</u>	<u>4,259,764</u>
Total Program Services	<u>5,014,209</u>	<u>-</u>	<u>5,014,209</u>
Supporting Services			
Administration and finance	706,192	-	706,192
Marketing and fundraising	<u>812,140</u>	<u>-</u>	<u>812,140</u>
Total Supporting Expenses	<u>1,518,332</u>	<u>-</u>	<u>1,518,332</u>
Total Expenses	<u>6,532,541</u>	<u>-</u>	<u>6,532,541</u>
Change in Net Assets	733,504	109,044	842,548
Net Assets - Beginning of Year	<u>10,062,179</u>	<u>541,271</u>	<u>10,603,450</u>
Net Assets - End of Year	<u>\$ 10,795,683</u>	<u>\$ 650,315</u>	<u>\$ 11,445,998</u>

IMMUNE DEFICIENCY FOUNDATION

Statement of Functional Expenses Year Ended December 31, 2021

	2021						
	Program Services			Supporting Services			Total Program and Supporting Services
	Medical and Scientific	Services to Patients and Families	Total Program Services	Administrative and Finance	Marketing and Fundraising	Total Supporting Services	
Salaries and Related Expenses							
Salaries	\$ 308,382	\$ 1,603,661	\$ 1,912,043	\$ 620,405	\$ 399,649	\$ 1,020,054	\$ 2,932,097
Employee benefits	37,535	230,501	268,036	71,725	54,619	126,344	394,380
Payroll taxes	23,366	129,203	152,569	51,538	32,054	83,592	236,161
Total Salaries and Related Expenses	369,283	1,963,365	2,332,648	743,668	486,322	1,229,990	3,562,638
Expenses Before Depreciation							
Advertising	22,498	110,233	132,731	-	3,648	3,648	136,379
Awards and grants	-	69,977	69,977	-	-	-	69,977
Bank fees	3,551	33,108	36,659	15,159	35,286	50,445	87,104
Consulting fees	226,059	2,244,972	2,471,031	179,697	83,867	263,564	2,734,595
Dues and subscriptions	55,413	173,288	228,701	15,797	7,122	22,919	251,620
Insurance	7,821	19,794	27,615	9,051	4,255	13,306	40,921
Interest	-	-	-	4,641	-	4,641	4,641
Occupancy	18,740	174,725	193,465	61,226	26,973	88,199	281,664
Permits and license	-	-	-	766	10,424	11,190	11,190
Postage and shipping	1,782	46,229	48,011	2,555	40,455	43,010	91,021
Professional fees	1,615	11,432	13,047	5,188	1,749	6,937	19,984
Rental and maintenance of equipment	4,131	25,209	29,340	9,698	3,056	12,754	42,094
Repairs and maintenance	94	878	972	402	136	538	1,510
Staff development	450	46,295	46,745	129,313	-	129,313	176,058
Supplies	1,890	96,733	98,623	44,241	55,269	99,510	198,133
Telephone	15,819	45,595	61,414	13,105	6,754	19,859	81,273
Training, conference, conventions, and meetings	17,636	74,729	92,365	-	16,276	16,276	108,641
Transportation/travel	3,012	952	3,964	2,587	790	3,377	7,341
Total Salaries and Expenses Before Depreciation	749,794	5,137,514	5,887,308	1,237,094	782,382	2,019,476	7,906,784
Depreciation and amortization	7,287	67,946	75,233	31,109	10,489	41,598	116,831
Total Expenses	\$ 757,081	\$ 5,205,460	\$ 5,962,541	\$ 1,268,203	\$ 792,871	\$ 2,061,074	\$ 8,023,615

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

IMMUNE DEFICIENCY FOUNDATION

Statement of Functional Expenses Year Ended December 31, 2020

	2020						
	Program Services			Supporting Services			Total Program and Supporting Services
	Medical and Scientific	Services to Patients and Families	Total Program Services	Administrative and Finance	Marketing and Fundraising	Total Supporting Services	
Salaries and Related Expenses							
Salaries	\$ 316,409	\$ 1,811,194	\$ 2,127,603	\$ 302,163	\$ 448,092	\$ 750,255	\$ 2,877,858
Employee benefits	26,856	285,007	311,863	68,680	75,066	143,746	455,609
Payroll taxes	24,857	141,848	166,705	21,938	33,291	55,229	221,934
Total Salaries and Related Expenses	368,122	2,238,049	2,606,171	392,781	556,449	949,230	3,555,401
Expenses Before Depreciation							
Advertising	-	12,018	12,018	-	5,979	5,979	17,997
Awards and grants	196,197	10,000	206,197	-	-	-	206,197
Bank fees	5,374	31,849	37,223	9,992	25,503	35,495	72,718
Dues and subscriptions	5,416	23,871	29,287	9,546	2,486	12,032	41,319
Insurance	2,949	22,832	25,781	5,483	4,658	10,141	35,922
Interest	-	-	-	6,980	-	6,980	6,980
Occupancy	28,833	170,438	199,271	42,377	34,541	76,918	276,189
Permits and license	-	157	157	-	10,410	10,410	10,567
Postage and shipping	665	86,111	86,776	1,115	35,602	36,717	123,493
Professional fees	121,789	1,289,494	1,411,283	190,195	84,636	274,831	1,686,114
Rental and maintenance of equipment	3,620	23,301	26,921	6,017	3,877	9,894	36,815
Repairs and maintenance	103	607	710	191	123	314	1,024
Staff development	-	23,869	23,869	13,710	1,569	15,279	39,148
Supplies	3,162	87,766	90,928	8,565	30,305	38,870	129,798
Telephone	4,197	58,306	62,503	5,702	4,850	10,552	73,055
Training, conference, conventions, and meetings	3,743	125,059	128,802	882	3,129	4,011	132,813
Transportation/travel	4,468	21,706	26,174	1,857	1,066	2,923	29,097
Total Salaries and Expenses Before Depreciation	748,638	4,225,433	4,974,071	695,393	805,183	1,500,576	6,474,647
Depreciation and amortization	5,807	34,331	40,138	10,799	6,957	17,756	57,894
Total Expenses	\$ 754,445	\$ 4,259,764	\$ 5,014,209	\$ 706,192	\$ 812,140	\$ 1,518,332	\$ 6,532,541

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

IMMUNE DEFICIENCY FOUNDATION

Statements of Cash Flows Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 2,396,453	\$ 842,548
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Amortization expense	76,048	12,896
Depreciation expense	40,783	44,998
Realized gain on investments	(499,070)	(95,243)
Unrealized gain on investments	(536,243)	(643,282)
Gain on forgiveness of Paycheck Protection Program loan	(531,049)	-
Changes in operating accounts:		
(Increase) decrease in accounts receivable	(232,086)	341,231
Decrease (increase) in prepaid expenses and other assets	56,837	(5,008)
Increase (decrease) in accounts payable	67,103	(341,358)
Decrease in deferred rent	(18,769)	(11,234)
Net Cash Provided by Operating Activities	<u>820,007</u>	<u>145,548</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	(341,388)	-
Proceeds from sales of investments	5,007,884	5,070,193
Purchases of investments	(5,686,419)	(5,587,541)
Net Cash Used in Investing Activities	<u>(1,019,923)</u>	<u>(517,348)</u>
Cash Flows from Financing Activities		
Principal payments on capital leases	(16,372)	(14,033)
Proceeds from Paycheck Protection Program loan	-	531,049
Net Cash Provided by (Used in) Financing Activities	<u>(16,372)</u>	<u>517,016</u>
Net Change in Cash and Cash Equivalents	<u>(216,288)</u>	<u>145,216</u>
Cash and Cash Equivalents - Beginning of Year	<u>905,660</u>	<u>760,444</u>
Cash and Cash Equivalents - End of Year	<u>\$ 689,372</u>	<u>\$ 905,660</u>
Supplemental Schedule of Non-Cash Financing Activities		
Forgiveness of Paycheck Protection Program loan	<u>\$ 531,049</u>	<u>\$ -</u>
Supplemental Cash Flow Information		
Interest expense paid	<u>\$ 4,641</u>	<u>\$ 6,980</u>

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Immune Deficiency Foundation (the "Foundation") is a Delaware non-profit organization without members, headquartered in Maryland, dedicated to improving the diagnosis, treatment, and quality of life of persons with primary immunodeficiency diseases through advocacy, education, and research. The Foundation gathers, coordinates, and disseminates information and conducts educational campaigns in order to increase family and public awareness concerning the diseases. The Foundation also engages in fundraising activities in support of its goal, primarily sources of support and revenues are from government grants and contracts, foundation grants, and individual and corporate donations and contributions.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. As such, revenue is recognized when earned and expenditures when incurred.

Functional Expense Allocations

The costs of providing the various programs have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Expenses that are directly identifiable with a particular function are charged to program and support services. Other expenses may benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The primary expenses that are allocated are salaries, payroll taxes, and employee benefits, which are allocated based on estimates of time and effort, as well as depreciation and occupancy, which are allocated on a square footage basis.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Operating – Represents resources available for support of operations.

Board Designated – The Foundation has designated certain amounts to function as endowment funds. These funds, together with accumulated earnings thereon, are to be spent for purposes approved by the Foundation's Board. Additionally, the Foundation's Board of Trustees has designated certain amounts to be used for specific operational purposes approved by the Foundation's Board.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Recognition of Donor Restrictions

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Foundation considers all cash and highly liquid investments with a maturity of three months or less to be cash and cash equivalents. Certificates of deposits and money market funds held for investment purposes are excluded from this classification.

Accounts Receivable

Accounts receivables are carried at original invoice less an estimate made for doubtful receivables on a review of all outstanding amounts. Unbilled receivables are expenses incurred and revenues earned for particular grants and contracts that have not yet been billed. Unbilled receivables of approximately \$57,000 and \$49,000 are included in accounts receivable in the Statements of Financial Position as of December 31, 2021 and 2020, respectively. Management has determined all accounts receivable are considered collectable and therefore, an allowance for doubtful accounts is not necessary as of December 31, 2021 and 2020.

Investments

Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Net investment return is recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Property and Equipment

Fixed assets are reported at cost, if purchased, or at fair value, if donated. Donations are reported as contributions without donor restrictions unless the donor restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire fixed assets, are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets, which range from three to 40 years. The Foundation generally capitalizes property and equipment, which provide benefits that have a cost, if purchased, or fair value, if donated, of greater than \$5,000.

Amortization

Software and website costs are amortized over the estimated useful life of the asset, which is three years.

Grants and Revenue Recognition

The Foundation requests and receives from governmental organizations grants that are specifically designated for program services. The funds are expended in accordance with grant requirements. Grant revenue is earned when the Foundation has incurred expenses related to a specific grant. Grant funds that have been received but not expended are recorded as unearned grant revenue.

The National Institutes of Health (NIH) and Health Resources and Services Administration (HRSA) have both awarded the Foundation grants. The NIH grant was to assist investigation in primary immune deficiency diseases through March 2022. The HRSA grant is for severe combined immunodeficiency screening and education through July 2022. For both of these grants, the Foundation submits expenses for reimbursement and recognizes revenue and expenses on the accrual basis of accounting.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

The Foundation receives a significant amount of donated services from unpaid volunteers. No amounts relating to donated services have been recognized in the Statements of Activities as contributions because the criteria for recognition have not been satisfied. Contributed professional services are recognized if the services received a) create or enhance long-lived assets, or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Advertising Costs

The Foundation expenses advertising costs as incurred. Advertising costs charged to expenses were \$136,379 and \$17,997 as of December 31, 2021 and 2020, respectively.

Income Taxes

The Foundation was formed as a non-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and, accordingly, no provision for income taxes is reflected in the accompanying financial statements. The Foundation's tax filings are subject to examination by various taxing authorities. The Foundation's tax years of December 31, 2018 through December 31, 2021, remain subject to examination. There are currently no examinations for any tax periods in progress.

Credit Risk

The Foundation has deposits in financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC") as of December 31, 2021 and 2020. At times, the balance in the institution may exceed the FDIC insured amount; however, management does not believe that this presents a significant risk to the Foundation. At December 31, 2021, the Foundation had \$425,892 in funds over the FDIC limit.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through June 18, 2022, the date the financial statements were available to be issued.

NOTE B - LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the Statement of Financial Positions data for the general expenditure as of December 31, 2021 and 2020, consist of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 689,372	\$ 905,660
Accounts receivable	<u>430,471</u>	<u>198,385</u>
Total	<u>\$ 1,119,843</u>	<u>\$ 1,104,045</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE C - INVESTMENTS

Cost and fair value of investments at December 31, 2021, are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 794,682	\$ 794,682
Certificates of deposit	1,020,391	1,054,760
Equity funds	5,763,164	7,433,159
Fixed income	<u>3,391,694</u>	<u>3,368,730</u>
Totals	<u>\$ 10,969,931</u>	<u>\$ 12,651,331</u>

Cost and fair value of investments at December 31, 2020, are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 1,350,135	\$ 1,350,135
Certificates of deposit	976,586	1,006,469
Hedge funds	6,761	6,464
Equity funds	3,813,435	4,857,580
Fixed income	<u>3,601,038</u>	<u>3,716,831</u>
Totals	<u>\$ 9,747,955</u>	<u>\$ 10,937,479</u>

The Foundation's investment portfolio reported on the Statement of Financial Position at December 31, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Investments board designated - current	\$ 4,505,303	\$ 4,117,192
Investments other	848,247	1,336,459
Investments board designated - long-term	<u>7,297,781</u>	<u>5,483,828</u>
Total Investments	<u>\$ 12,651,331</u>	<u>\$ 10,937,479</u>

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE C - INVESTMENTS (CONTINUED)

The following summarizes investment income, net for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 286,433	\$ 194,897
Fees	(54,646)	(50,971)
Net realized gains		
on sales of investments	499,070	95,243
Net unrealized gains		
on investments held	<u>536,243</u>	<u>643,282</u>
Total Investment Income	<u>\$ 1,267,100</u>	<u>\$ 882,451</u>

NOTE D - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE D - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Fair Value Measurements

The fair values of mutual funds are based on quoted market prices.

Level 2 Fair Value Measurements

Hedge fund fair values are based upon estimated fair market value obtained from the issuer of the investment. The certificates of deposits and fixed income investments are based on values of comparable investments.

Level 3 Fair Value Measurements

The Foundation does not have investments measured at Level 3 as of December 31, 2021 and 2020.

Transfers Between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2021 and 2020, there were no significant transfers into or out of Level 2 or 3.

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2021 and 2020, as measured on a recurring basis.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets in the Fair Value Hierarchy				
Certificates of deposit	\$ -	\$ 1,054,760	\$ -	\$ 1,054,760
Hedge funds	-	-	-	-
Equity mutual funds	7,433,159	-	-	7,433,159
Fixed income	-	3,368,730	-	3,368,730
Total Assets at Fair Value - December 31, 2021	\$ 7,433,159	\$ 4,423,490	\$ -	\$ 11,856,649

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets in the Fair Value Hierarchy				
Certificates of deposit	\$ -	\$ 1,006,469	\$ -	\$ 1,006,469
Hedge funds	-	6,464	-	6,464
Equity mutual funds	4,857,580	-	-	4,857,580
Fixed income	-	3,716,831	-	3,716,831
Total Assets at Fair Value - December 31, 2020	\$ 4,857,580	\$ 4,729,764	\$ -	\$ 9,587,344

Note: Cash and cash equivalents totaling \$794,682 and \$1,350,135 at December 31, 2021 and 2020, respectively, are excluded from these tables as they are measured at cost.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment, at cost, consist of the following at December 31, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Equipment	\$ 296,049	\$ 296,049
Furniture and fixtures	206,560	206,560
Software and website	<u>402,529</u>	<u>61,141</u>
	905,138	563,750
Less accumulated depreciation and amortization	<u>(556,313)</u>	<u>(439,481)</u>
Total	<u>\$ 348,825</u>	<u>\$ 124,269</u>

Depreciation and amortization expenses for December 31, 2021 and 2020, were \$116,831 and \$57,894, respectively.

NOTE F - LEASE COMMITMENTS

On November 5, 2014, the Foundation signed a lease for office space. The lease commenced in December 2014 and is for a term of seven years and nine months, set to expire in September 2022. The base rent for the office space is \$238,989 with an escalated rent payment of 2.75 percent beginning the first day of each subsequent lease year. Additionally, the lease agreement stipulates a reduction in lease payments, equal to the amount of a prior office space lease, until the prior office space lease expired on September 30, 2015. Deferred rent of \$19,864 and \$38,633 as of December 31, 2021 and 2020, respectively, reflects the cumulative difference between the straight-line calculation and the rent charged under the terms of the lease. In January of 2015, the Foundation signed a lease for storage space at an annual rate of \$5,184 for a term of seven years and nine months, set to expire in September 2022.

Rent expense was \$281,668 and \$276,189 for the years ended December 31, 2021 and 2020, respectively.

Total minimum annual rental commitments for all leases through the expiration of the leases are as follows:

<u>Year ending December 31,</u>	
2022	\$ 221,427

NOTE G - OPERATING LEASE COMMITMENTS FOR EQUIPMENT

The Foundation is obligated under an operating lease for a postage machine. The cost of the lease obligation at December 31, 2021, consists of an operating lease payable in quarterly installments of \$3,225 through September 2022, collateralized by the related office equipment.

Annual equipment lease expense and maintenance contract expense totaled \$33,483 and \$32,259 for the years ended December 31, 2021 and 2020, respectively, and is included in rental and maintenance of equipment expense on the Statements of Functional Expenses.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE G - OPERATING LEASE COMMITMENTS FOR EQUIPMENT (CONTINUED)

Total minimum annual lease payments through the expiration of the lease are as follows:

<u>Year Ending December 31,</u> 2022	\$ 9,675
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NOTE H - CAPITAL LEASES

The Foundation is obligated under a capital lease for printers with a term of 63 months. The cost of the lease obligation at December 31, 2021, consists of a capital lease and maintenance agreement, payable in monthly installments of \$2,764, collateralized by the related office equipment. The balance of the capital lease is \$20,830 and \$37,202 at December 31, 2021 and 2020, respectively. This balance includes a current portion of \$16,372 for both years ended December 31, 2021 and 2020.

Future minimum lease payments are as follows:

<u>Year Ending December 31,</u> 2022	\$ 33,173
2023	<u>2,764</u>
Total minimum lease payments	35,937
Less: amount representing maintenance contract	(13,173)
Less: amount representing interest	<u>(1,934)</u>
Present value of net minimum lease payments	<u>\$ 20,830</u>

The following is a schedule of the carrying value of equipment under the capital leases:

Cost	\$ 75,141
Less: accumulated depreciation	(58,989)
Net carrying value	<u>\$ 16,152</u>

The value of the equipment and related accumulated depreciation is included in property and equipment on the Statement of Financial Position as of December 31, 2021 and 2020. Annual depreciation expense totaled \$13,833 for both of the years ended December 31, 2021 and 2020.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE I - BOARD DESIGNATED NET ASSETS

The board has designated net assets without donor restrictions for the following projects at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Board designated - endowment	\$ 6,183,528	\$ 5,483,828
Board designated - program	5,023,115	3,520,794
Board designated research investment	596,441	596,399
PIRC designated	<u>92,048</u>	<u>92,048</u>
Total Board Designated Net Assets	<u>\$ 11,895,132</u>	<u>\$ 9,693,069</u>

NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Accumulators	\$ 10,000	\$ -
Advocacy	105,000	105,000
CGD Initiative	19,022	101,536
Core Services	90,000	-
CVID Initiative	103,623	79,833
David Salamone Fund	9,775	11,725
Education and Mentoring	2,500	12,500
Enhanced Medical Support	20,265	230,665
Gene Therapy	3,945	3,945
Genetic Testing	15,000	-
Industry, Patient, and Physician Reception	-	30,000
Life Stages Initiative	260	260
Monthly Giving	210	-
Payer Education	6,376	33,039
Research Project	80,000	172
SCID Initiative	75	750
USIDNET	25,827	36,722
XLA Initiative	<u>1,168</u>	<u>4,168</u>
Total Net Assets With Donor Restrictions	<u>\$ 493,046</u>	<u>\$ 650,315</u>

Net assets released from donor-restricted assets by incurring expenses satisfying the purpose or time restrictions specified by donors were \$567,440 and \$559,124 as of December 31, 2021 and 2020, respectively.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE K - ENDOWMENT FUNDS

Return objective and risk parameters: The board designated endowment fund seeks to achieve long-term capital growth while avoiding excessive risk and achieving preservation of purchasing power. The investment return goal is to generate returns in excess of the rate of inflation over the investment horizon.

Spending policy: Distributions for the board designated endowment may be made at the discretion of the Board. Since the establishment of the endowment, no funds have been appropriated for expenditure. Determination of a spending criteria will be established at a future date.

Changes in board designated endowment net assets for the years ended December 31, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Endowment net assets, beginning of year	\$ 5,483,828	\$ 4,962,050
Investment return, net	<u>699,700</u>	<u>521,778</u>
Total	<u>\$ 6,183,528</u>	<u>\$ 5,483,828</u>

NOTE L - RETIREMENT PLAN

The Foundation is the sponsor of the Immune Deficiency Foundation 401(k) Plan for all full-time employees older than age 21 having completed more than one year of service. One year of service is defined as at least 1,000 hours of service. The Foundation contributions comply with the Safe Harbor Rules. Under these rules the Foundation matches 100 percent of the first three percent an employee contributes and 50 percent of the next two percent the employee contributes to the Plan. The Foundation's contributions were \$80,760 and \$89,789 for the years ended December 31, 2021 and 2020, respectively and are included in employee benefits expense on the Statements of Functional Expenses.

NOTE M - CONTINGENCIES

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audits. Such audits could result in claims against the Foundation for disallowed costs or non-compliance with grantor restrictions. No provision has been made for any liability that may arise from such audits since the amounts, if any, cannot be determined at this date. Management expects such amounts, if any, will not be significant.

IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements

NOTE N - EFFECTS OF CURRENT ECONOMIC CONDITIONS AND CONTRIBUTIONS

The Foundation depends heavily on contributions and grants for its revenue. The ability of certain Foundation's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of contributions and grants to the Foundation. While the Foundation's Board of Trustees believes the Foundation has the resources to continue programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

NOTE O - RISK AND UNCERTAINTIES

The Foundation may invest in various types of marketable securities. Marketable securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain marketable securities, it is possible that changes in the values of these securities may occur in the near term and that such change could materially affect the amounts reported in the Statements of Financial Position.

NOTE P - PAYCHECK PROTECTION PROGRAM LOAN

On May 1, 2020, the Foundation received loan proceeds in the amount of \$531,049 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES ACT"), provides for loans to primarily cover payroll, mortgage interest, rent, and utilities costs incurred during the COVID-19 pandemic.

The loan, which was in form of a commercial promissory note from J.P. Morgan Chase Bank matures on May 1, 2022, and bears interest at a rate of one percent per annum. Under the term of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Foundation applied for and received forgiveness of the PPP loan effective June 2021.

NOTE Q - RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the preparation in the current financial statements. These reclassifications were between expenses on the Statements of Activities and Statements of Functional Expenses.

IMMUNE DEFICIENCY FOUNDATION

ADDITIONAL REPORTS AND
SUPPLEMENTARY INFORMATION

Year Ended December 31, 2021



HANDWERGER, CARDEGNA,
FUNKHOUSER & LURMAN, P.A.

To the Board of Trustees
Immune Deficiency Foundation
Towson, Maryland

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Immune Deficiency Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 18, 2022.

Report on Internal Control over Financial Reporting

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

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

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

To the Board of Trustees
Immune Deficiency Foundation

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statement; 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 non-compliance 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 Foundation's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwerker, Cardegna, Funkhouser & Lurman, P.A.

Handwerker, Cardegna, Funkhouser & Lurman, P.A.
Timonium, Maryland
June 18, 2022



**HANDWERGER, CARDEGNA,
FUNKHOUSER & LURMAN, P.A.**

To the Board of Trustees
Immune Deficiency Foundation
Towson, Maryland

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

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Immune Deficiency Foundation's (the "Foundation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended December 31, 2021. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the 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 the Title 2 U.S. Code of Federal Regulations (CFR) 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 the Foundation 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 the major federal program. Our audit does not provide a legal determination of Foundation'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 the Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation'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 non-compliance when it exists. The risk of not detecting material non-compliance 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. Non-compliance 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 the Foundation's compliance with the requirements of the 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 non-compliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in circumstances.
- Obtain an understanding of the Foundation'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 the Foundation'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.

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, non-compliance 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 non-compliance 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 weaknesses or significant deficiencies in internal control over compliance, yet important enough to merit attention by those charged with governance.

To the Board of Trustees
Immune Deficiency Foundation

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.

Handwerger, Cardegna, Funkhouser & Lurman, P.A.

Handwerger, Cardegna, Funkhouser & Lurman, P.A.
Timonium, Maryland
June 18, 2022

IMMUNE DEFICIENCY FOUNDATION

Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

Federal Agency	Federal Program	Cluster Title	Federal CFDA Number	Pass Through Grantor	Funds to Subrecipients	Pass Through Entity Identifying Number	Federal Expenditures
United States Department of Health and Human Services (HHS)	Allergy and Infectious Diseases Research	Research and Development Cluster	93.855	Resources to Assist Investigations in Primary Immunodeficiency Diseases	\$ -	5U24AI086037-10	\$ 116,489
Health Resource and Services Administration (HRSA)	Maternal and Child Health Federal Consolidated Programs		93.110	Severe Combined Immunodeficiency (SCID) Screening and Education	1,262,817	SC1MC31881	2,051,355
Total Expenditures of Federal Awards							\$ 2,167,844

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes federal pass-through grant activity of the Foundation and is presented on the accrual basis of accounting. The information in this 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 selected portion of operations of the Foundation, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Foundation.

NOTE B - 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 C - INDIRECT COST RATE

The Foundation has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

IMMUNE DEFICIENCY FOUNDATION

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Immune Deficiency Foundation were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of non-compliance material to the financial statements of Immune Deficiency Foundation, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program for the Foundation expresses an unmodified opinion.
6. There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).
7. The program tested as a major program was Maternal and Child Health Federal Consolidated Programs (CFDA# 93.110).
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Immune Deficiency Foundation was determined to be a low-risk auditee.

SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS

Findings and Questioned Costs - Financial Statements Audit

None

Findings and Questioned Costs - Major Federal Award Programs Audit

None

PRIOR YEAR AUDIT FINDINGS

Findings and Questioned Costs - Financial Statements Audit

None

Findings and Questioned Costs - Major Federal Award Programs Audit

None