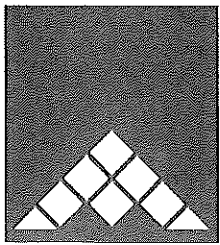


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THE JEFFREY MODELL FOUNDATION, INC.

**FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORTS**

December 31, 2020

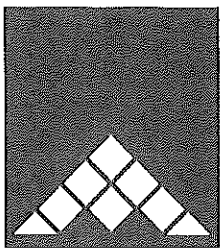


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THE JEFFREY MODELL FOUNDATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Jeffrey Modell Foundation, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of The Jeffrey Modell Foundation, Inc. (a nonprofit foundation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

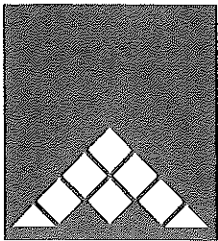
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Offices:
Maryland
New York City
Long Island
New Jersey



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Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of The Jeffrey Modell Foundation, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of federal awards (pages 12 and 13) for the year ended December 31, 2020, 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 (Uniform Guidance) and Audits of Non-Profit Organizations, is presented for the purpose 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 subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2021 on our consideration of The Jeffrey Modell Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Jeffrey Modell Foundation, Inc.'s internal control over financial reporting and compliance.

Ad3ptus Partners, LLC

New York, New York
June 8, 2021

THE JEFFREY MODELL FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

Cash and cash equivalents	\$ 4,314,607
Restricted cash	1,833,622
Investments, at fair value	18,458,933
Contributions receivable	5,990,419
Grant receivable	2,826,000
Property and equipment, net	29,219
Prepaid expenses and other assets	<u>1,489,339</u>
 TOTAL ASSETS	 <u>\$ 34,942,139</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ -
 TOTAL LIABILITIES	 -
 NET ASSETS - Without donor restrictions	 <u>34,942,139</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 34,942,139</u>

The accompanying notes are an integral part of this financial statement.

THE JEFFREY MODELL FOUNDATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

CHANGES IN UNRESTRICTED NET ASSETS:

Revenue and other support:	
Contributions	\$ 5,453,656
Government grants	2,876,500
Designated program revenue	55,000
In-kind contributions	100,936,452
Net investment gain	1,709,670
Interest income security deposit	<u>37</u>
Total revenue and other support	111,031,315
Program, management and general, fund raising and other expenses:	
Program services	3,032,699
Management and general	269,976
Fund raising	152,327
In-kind program expenses	100,936,452
Grants and allocations	<u>1,303,336</u>
Total program, management and general, fund raising and other expenses	105,694,790
Changes in net assets without donor restrictions	5,336,525
Net Assets - beginning of year	<u>29,605,614</u>
Net Assets - end of year	<u><u>\$ 34,942,139</u></u>

The accompanying notes are an integral part of this financial statement.

THE JEFFREY MODELL FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	2020			Total
	Program Services	Management and General	Fund Raising	
Salaries and fringe benefits	\$ 1,518,196	\$ 114,896	\$ 79,544	\$ 1,712,636
Public service advertising	44,887	3,278	2,270	50,435
Conference and symposia; education and awareness programs	744,425	56,559	39,156	840,140
Occupancy	300,048	21,914	15,171	337,133
Grant and program development	61,339	-	-	61,339
Printing and office expense	82,379	6,016	4,166	92,561
Computer, IT and website	88,149	9,725	6,732	104,606
Telephone	27,085	1,978	1,369	30,433
Travel and entertainment	44,739	3,267	2,262	50,268
Depreciation and amortization	5,396	-	-	5,396
Professional fees	21,600	49,950	-	71,550
Program services	76,696	-	-	76,696
Other expenses	17,760	2,393	1,656	21,809
Total program, management and general, and fund raising expenses	\$ 3,032,699	\$ 269,976	\$ 152,327	\$ 3,455,002

The accompanying notes are an integral part of this financial statement.

THE JEFFREY MODELL FOUNDATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

Cash flows from operating activities:	
Change in net assets without donor restrictions	\$ 5,336,525
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	5,396
Net realized and unrealized gains on investment securities	1,709,670
 Net change in operating assets and liabilities:	
Restricted cash	(842,687)
Contributions receivable	(1,165,000)
Grant receivable	(51,000)
Property and equipment	(29,219)
Prepaid expenses and other assets	(20,538)
Net cash provided by operating activities	<u>4,943,147</u>
 Cash flows from investing activities:	
Proceeds from sales of investment securities	4,734,414
Purchases of investment securities	<u>(8,159,150)</u>
Net cash used in investing activities	<u>(3,424,736)</u>
 Net increase in cash and cash equivalents	1,518,411
 Cash and Cash Equivalents - beginning of year	<u>2,796,196</u>
 Cash and Cash Equivalents - end of year	<u>\$ 4,314,607</u>

The accompanying notes are an integral part of this financial statement.

THE JEFFREY MODELL FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Activities

The Jeffrey Modell Foundation, Inc. (the "Foundation"), a not-for-profit foundation formed in 1986, is dedicated to the early diagnosis, treatment and ultimate cure of primary immune deficiencies. The Foundation's primary mission is scientific research, physician and patient education, and patient support. The Foundation sponsors annual social, fund raising and educational events toward that mission.

(b) Basis of Accounting and Use of Estimates

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, prepaid expenses, payables, and other liabilities. In accordance with generally accepted accounting principles, expenses are recognized when they are incurred rather than when they are paid.

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

(c) Recognition of Donor Restrictions

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets. Net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to stipulations. The Board of Directors will, at times, designate unrestricted net assets for a particular purpose of the Foundation. These net assets, if any, are shown separately on the statement of financial position.

Net assets with donor restrictions – Net assets subject to stipulations that will be met either by actions of the Organization and/or the passage of time.

The Foundation did not have any donor restricted support as of December 31, 2020.

(d) Property and Equipment

Property and equipment is stated at cost. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization has been computed using the straight-line method. Estimated useful lives of property and equipment are as follows:

	<u>Years</u>
Leasehold Improvements	9
Office Equipment	5

(e) Cash and Cash Equivalents

The Foundation considers all unrestricted cash and other highly liquid investments with an initial maturity of three months or less to be cash equivalents.

THE JEFFREY MODELL FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

(f) Restricted Cash

The Foundation considers any government funding, in the possession of the Foundation and prior to being spent, restricted cash and the amount is segregated from the Foundation's operating cash.

(g) In-kind Contributions

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Foundation. Donated services are reported as in-kind contributions at their fair market values, as both revenue and expense, in the accompanying statement of activities. Contributed services consist of media placement of public service advertising with estimated market values of approximately \$100,936,452.

(h) Investments

Investment securities are recorded at fair value. The fair value of equity and debt securities is based on quoted market prices of the underlying securities in active markets for identical assets (level 1 inputs – see Note 10). Gains and losses are recorded on a trade date basis.

(i) Contributions and Contributions Receivable

Contributions to the Foundation are recognized as revenue upon the receipt of cash or other assets or unconditional pledges and when certain conditions are met. Contributions receivable are expected to be collected in full in the following year, and accordingly, no allowance is recorded in the accompanying financial statements.

(j) Revenue Recognition

Government support revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or when a unit of service is provided for performance grants. Based on prior experience, the Foundation's management believes that costs ultimately disallowed, if any, would not materially affect its financial position and changes in net assets.

(k) Functional Allocation of Expenses

Expenses incurred to carry out program activities are allocated to the applicable programs on a specific identification basis. Certain other indirect expenses have been allocated, when deemed practical, among program and supportive expenses.

(l) Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation does not have any unrelated business income and accordingly, does not have any uncertain tax positions. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(m) Subsequent Events

The Foundation has evaluated subsequent events for potential recognition or disclosure through June 8, 2021, the date the financial statements were available for issuance.

THE JEFFREY MODELL FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

NOTE 2 – INVESTMENTS

Investments consist of the following at December 31, 2020:

	Cost	Fair Value
Fixed income based mutual funds	\$ 7,259,738	\$ 7,443,302
Cash and money market funds	418,104	418,104
Alternative assets	120,036	138,643
Equities and equity based funds	7,904,904	10,458,884
Total	\$ 15,702,782	\$ 18,458,933

All of the Foundations investments are classified as level 1 inputs (see Note 10).

NOTE 3 – GOVERNMENT GRANTS

The Foundation received a five-year \$4,607,500 grant award notice from the Centers for Disease Control and Prevention for the continued development and enhancement of physician education and public awareness. During the year ended December 31, 2020, the Foundation recognized revenue of \$2,876,500 and drew down approximately \$2,039,902 on the grant.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020:

Leasehold improvements	\$ 120,158
Furniture and fixtures	270,523
Automobile	33,722
	<u>424,403</u>
Less: Accumulated depreciation and amortization	(395,184)
Property and equipment, net	<u>\$ 29,219</u>

There was no Depreciation and amortization expense for the year ended December 31, 2020.

NOTE 5 – FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS

The Foundation's financial assets available within one year of the accompanying statement of financial position for general expenditures are as follows:

Financial assets, at year-end	
Cash	\$ 4,314,607
Contributions receivable	5,990,419
Investments, at fair value	<u>18,458,933</u>
Financial assets available at December 31, 2020	28,763,959
Less those unavailable for general expenditure within one year, due to:	
Contributions expected to be collected in more than one year	(260,419)
Amounts available for general expenditures within one year	<u>\$ 28,503,540</u>

THE JEFFREY MODELL FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

NOTE 6 – EMPLOYEE RETIREMENT PLAN AND DEFERRED COMPENSATION PLAN

The Foundation has entered a Simplified Employee Pension-IRA Plan ("SEP-IRA Plan") for all full-time employees who have worked for at least one year. The Foundation made a contribution of \$30,200 which was charged to expense for the year ended December 31, 2020.

The Foundation established The Jeffrey Modell Foundation, Inc. Section 457(f) Plan (the "Plan") pursuant to section 457(f) of the Internal Revenue Code of 1986, as amended (the "Code"). This Plan is not an Eligible Deferred Compensation Plan as that term is defined under section 457 of the Code, and accordingly, this Plan is governed by section 457(f) thereof. Any eligible individual employed by the Foundation shall be eligible to participate in the Plan if so designated by the Board of Directors. Participants shall be limited, however, to individuals constituting a select group of management or highly compensated employees. The Participant must render substantial services to the Foundation through the Services Completion Date so as not to forfeit the Deferred Compensation. Contributions for a particular Plan Year are not vested until the last day of the fifth full Plan Year following the Plan Year to which the contributions relate at which point the contribution shall be 100% vested. Notwithstanding the foregoing, contributions after December 9, 2011 shall be 50% vested on December 1 of the 2nd year after the year of contribution and the remainder shall be vested on January 15 of the 3rd year after the contribution. As of December 31, 2020, the Plan was fully funded and all participants are fully vested.

NOTE 7 – GRANTS AND ALLOCATIONS

The Foundation considers the allocation of grant amounts to specific centers as additional program expenses in the accompanying statement of activities. For the year ended December 31, 2020, grants and allocations were made to Jeffrey Modell Centers, Jeffrey Modell Centers Network, including specific defect grants and translational research grants, Roots & Wings, Newborn Screening, WinMD, WinRN, CHILDREN, and patient support – WIN Grants.

NOTE 8 – CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation maintains its cash balances with high credit quality institutions.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Foundation has extended its office space lease for approximately eleven years, commencing on May 28, 2021 and continuing through and expiring on May 27, 2032. Occupancy expense, including rent, utilities, and other charges, was approximately \$337,133 for the year ended December 31, 2020. Future minimum annual rentals on the lease, exclusive of escalation provisions, are approximately as follows:

<u>Year</u>	<u>Amount</u>
2021	373,140
2022	373,140
2023	373,140
2024	373,140
2025	373,140

THE JEFFREY MODELL FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

From time to time, the Foundation may become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Foundation's insurance policies, subject to normal deductibles, and accordingly, would not have a material effect on its financial position and changes in net assets.

NOTE 10 – FAIR VALUE MEASUREMENTS

The Foundation has disclosure requirements for Fair Value Measurements which applies to all assets and liabilities that are being measured and reported on a fair value basis. Fair Value Measurements requires disclosures that establish a framework for measuring the value in accounting principles generally accepted in the United States of America, and expands disclosure about fair value measurements. This measurement enables the reader of the financial statements to assess inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values.

Fair Value Measurements requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- | | |
|----------|---|
| Level 1: | Quoted market prices in active markets for identical assets and liabilities. |
| Level 2: | Observable market-based inputs or unobservable inputs that are corroborated by market data. |
| Level 3: | Unobservable inputs that are not corroborated by market data. |

All assets and liabilities of the Foundation are classified as Level 1.

Cash and cash equivalents, contributions receivable and prepaid expenses and other assets, as well as liabilities of a current maturity approximate fair value due to the short-term nature of these assets and liabilities.

NOTE 11 – TRADEMARKS AND OTHER ASSETS

The Foundation has the rights to documentary film "Do Something". The amount paid for the rights was \$88,000 and is capitalized in prepaid expenses and other assets on the accompanying statement of financial position. The actual film itself cost \$1,500,000.

The Foundation also has two trademarks, "c.h.i.l.d.r.e.n!" and "SPIRIT". The trademark "c.h.i.l.d.r.e.n!" is a research program and has \$2,500,000 in grants awarded to date. The trademark "SPIRIT" is a clinical program that has cost \$500,000.

THE JEFFREY MODELL FOUNDATION, INC.
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 December 31, 2020

<u>Federal Grantor/Pass through Grantor/Program Title</u>	<u>Pass-through Entity Identification Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services Centers for Disease Control and Prevention - Provider Education and Public Awareness About Primary Immunodeficiency Disease		93.980	1,695,302

THE JEFFREY MODELL FOUNDATION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

1. General Information:

The accompanying schedule of expenditures of federal awards presents the activities in the federal financial assistance programs of The Jeffrey Modell Foundation, Inc. All financial assistance received directly from federal agencies is included on the schedule.

2. Basis of Accounting:

The accompanying schedule of expenditures of federal awards is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to federal funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. Relationship to Basic Financial Statements:

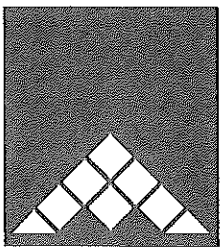
Federal awards expenditures are reported in the statement of functional expenses as program services. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of federal awards due to program expenditures exceeding grant or contract budget limitations which are not included as federal awards.

4. Subrecipients

For the year ended December 31, 2020, the Foundation provided no funds to subrecipients.

**THE JEFFREY MODELL FOUNDATION, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

No findings for Prior Year Ended December 31, 2019.



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

To The Board of Directors
The Jeffrey Modell Foundation, Inc.
New York, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Jeffrey Modell Foundation, Inc., which comprise the statement of financial position as of December 31, 2020, 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 8, 2021.

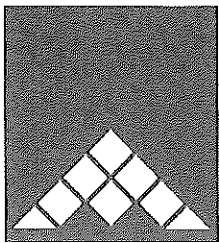
Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Jeffrey Modell Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Jeffrey Modell Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Jeffrey Modell Foundation, Inc.'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Offices:
Maryland
New York City
Long Island
New Jersey



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Compliance and Other Matters

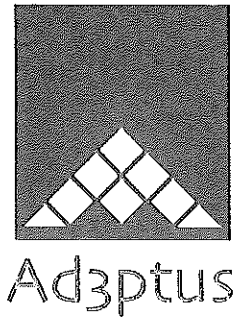
As part of obtaining reasonable assurance about whether The Jeffrey Modell Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or 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.

Ad3ptus Partners, LLC

New York, New York
June 8, 2021



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

To the Board of Directors
The Jeffrey Modell Foundation, Inc.
New York, New York

Report on Compliance for Each Major Federal Program

We have audited The Jeffrey Modell Foundation, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Jeffrey Modell Foundation, Inc.'s major federal programs for the year ended December 31, 2020. The Jeffrey Modell Foundation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

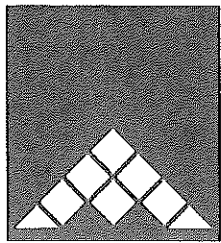
Auditor's Responsibility

Our responsibility is to express an opinion on compliance for The Jeffrey Modell Foundation, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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), *Audits of States Local Governments and Non-Profit Organizations*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Jeffrey Modell Foundation, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of The Jeffrey Modell Foundation, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, The Jeffrey Modell Foundation, Inc. complied in all material respects, with the types of compliance requirements referred



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to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of The Jeffrey Modell Foundation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Jeffrey Modell Foundation, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Jeffrey Modell Foundation, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Ad3ptus Partners, LLC

New York, New York
June 8, 2021

**THE JEFFREY MODELL FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2020**

Section I. Summary of Auditor's Results

- Type of auditor's report on financial statements: Unmodified
- Internal control over financial reporting:
 - Material weakness identified? None
 - Significant deficiencies identified that were not considered to be material weaknesses? None
- Noncompliance material to financial statements: No
- Type of auditor's report on compliance for major programs: Unmodified
- Internal Control over major programs:
 - Material weakness identified? None
 - Significant deficiencies identified that were not considered to be material weaknesses? None
- Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? None
- Identification of Major Program:

<u>CFDA Number</u>	
93.980	Centers for Disease Control and Prevention Provider Education and Public Awareness About Primary Immunodeficiency Disease
- Dollar threshold to distinguish between Type A and Type B programs: \$750,000
- Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

- There were no financial statement findings required to be reported by the Uniform Guidance.

Section III. Findings and Questioned Costs for Federal Award

- There were no matters involving audit findings required to be reported by the Uniform Guidance.



Jeffrey Modell Foundation

2020

Jeffrey's Foundation has been on a long and incredible journey for the last 35+ years. We have been so fortunate to have achieved many milestones and are privileged to have made a great difference in the precious lives of children and adults who suffer from Primary Immunodeficiency. We are thankful for the many corporations who are dedicated to helping us on our journey.

Your support and encouragement enable us to continue our mission - to provide comprehensive programs in research, physician education, patient support, public awareness, newborn screening, genetic sequencing and advocacy for millions of children and adults who valiantly struggle each day with Primary Immunodeficiency. With your help, meaningful treatments and cures are sure to follow, and our journey together will make a profound difference in so many precious lives.

To those who have supported our Programs in the past, and to those who have come to this page to support us today, we are forever grateful. We will not stop until our mission is complete!

Jeffrey Modell Foundation Corporate Supporters

\$500,000 +

I. <u>CSL Behring</u> -	\$1,400,000
II. <u>Grifols</u> -	\$990,000
III. <u>Takeda</u> -	\$2,475,000