

**IMMUNE DEFICIENCY FOUNDATION**

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION AND REPORTS  
REQUIRED BY  
GOVERNMENT AUDITING STANDARDS  
AND OMB CIRCULAR A-133

YEARS ENDED DECEMBER 31, 2014 AND 2013

AND

INDEPENDENT AUDITORS' REPORT

# IMMUNE DEFICIENCY FOUNDATION

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Weyrich  
Cronin &  
Sorra  
CHARTERED

Independent Auditors' Report

Board of Trustees  
Immune Deficiency Foundation  
Towson, Maryland

**Report on the Financial Statements**

We have audited the accompanying financial statements of Immune Deficiency Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

***Auditors' Responsibility***

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

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

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



Independent Auditors' Report (Continued)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Immune Deficiency Foundation as of December 31, 2014 and 2013, 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.

**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 expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 30, 2015, on our consideration of Immune Deficiency 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 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 Immune Deficiency Foundation's internal control over financial reporting and compliance.

Weyrich, Canonin + Sorra, Chtd.

June 30, 2015  
Lutherville, Maryland

**IMMUNE DEFICIENCY FOUNDATION**

Statements of Financial Position  
December 31, 2014 and 2013

	<u>ASSETS</u>	
	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 729,418	\$ 712,382
Investments		
Board directed	1,062,530	- 0 -
Other	2,170,819	3,735,124
Accounts receivable	408,274	111,929
Prepaid expenses and other assets	133,069	87,945
	<hr/>	<hr/>
Total Current Assets	4,504,110	4,647,380
	<hr/>	<hr/>
<b>LONG-TERM ASSETS:</b>		
Investments		
Board designated endowment	4,191,307	3,093,344
Property and equipment, net	219,272	133,725
	<hr/>	<hr/>
Total Long-term Assets	4,410,579	3,227,069
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$ 8,914,689</u>	<u>\$ 7,874,449</u>
	<hr/>	<hr/>
	<u>LIABILITIES AND NET ASSETS</u>	
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 353,731	\$ 245,617
Current portion of capital leases	5,156	3,750
	<hr/>	<hr/>
Total Current Liabilities	358,887	249,367
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES:</b>		
Long-term portion of capital leases	20,232	23,052
	<hr/>	<hr/>
Total Liabilities	379,119	272,419
	<hr/>	<hr/>
<b>NET ASSETS:</b>		
Unrestricted:		
Operating	1,370,188	2,795,714
Board designated	5,382,811	3,234,599
	<hr/>	<hr/>
Temporarily restricted	6,752,999	6,030,313
Permanently restricted	1,735,533	1,530,305
	<hr/>	<hr/>
Total Net Assets	8,535,570	7,602,030
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,914,689</u>	<u>\$ 7,874,449</u>

See accompanying notes to financial statements

**IMMUNE DEFICIENCY FOUNDATION AND SUBSIDIARY**

Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE:</b>				
Public support:				
Contributions and grants	\$ 3,672,747	\$ 1,618,009	\$ 4,183	\$ 5,294,939
Net assets released from restrictions	1,412,781	(1,412,781)	- 0 -	- 0 -
Total public support	<u>5,085,528</u>	<u>205,228</u>	<u>4,183</u>	<u>5,294,939</u>
Government grants and other contract revenue	<u>1,246,185</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>1,246,185</u>
Revenue:				
Investment income	175,450	- 0 -	1,443	176,893
Other income	- 0 -	- 0 -	- 0 -	- 0 -
Special events	512,206	- 0 -	- 0 -	512,206
Total revenue	<u>687,656</u>	<u>- 0 -</u>	<u>1,443</u>	<u>689,099</u>
Total Public Support and Revenue	<u>7,019,369</u>	<u>205,228</u>	<u>5,626</u>	<u>7,230,223</u>
<b>EXPENSES:</b>				
Program services:				
Medical and scientific	1,793,055	- 0 -	- 0 -	1,793,055
Services to patients and families	3,390,462	- 0 -	- 0 -	3,390,462
	<u>5,183,517</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>5,183,517</u>
Supporting services:				
Administration and finance	668,537	- 0 -	- 0 -	668,537
Marketing and fundraising	444,629	- 0 -	- 0 -	444,629
	<u>1,113,166</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>1,113,166</u>
Total Expenses	<u>6,296,683</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>6,296,683</u>
<b>CHANGE IN NET ASSETS</b>	722,686	205,228	5,626	933,540
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>6,030,313</u>	<u>1,530,305</u>	<u>41,412</u>	<u>7,602,030</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 6,752,999</u>	<u>\$ 1,735,533</u>	<u>\$ 47,038</u>	<u>\$ 8,535,570</u>

See accompanying notes to financial statements

**IMMUNE DEFICIENCY FOUNDATION AND SUBSIDIARY**

Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>PUBLIC SUPPORT AND REVENUE:</b>				
Public support:				
Contributions and grants	\$ 4,234,335	\$ 1,280,325	\$ 7,000	\$ 5,521,660
Net assets released from restrictions	1,445,410	(1,445,410)	- 0 -	- 0 -
Total public support	<u>5,679,745</u>	<u>(165,085)</u>	<u>7,000</u>	<u>5,521,660</u>
Government grants and other contract revenue	<u>573,524</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>573,524</u>
Revenue:				
Investment income	204,782	- 0 -	721	205,503
Other income	(780)	- 0 -	- 0 -	(780)
Special events	477,269	- 0 -	- 0 -	477,269
Total revenue	<u>681,271</u>	<u>- 0 -</u>	<u>721</u>	<u>681,992</u>
Total Public Support and Revenue	<u>6,934,540</u>	<u>(165,085)</u>	<u>7,721</u>	<u>6,777,176</u>
<b>EXPENSES:</b>				
Program services:				
Medical and scientific	1,091,753	- 0 -	- 0 -	1,091,753
Services to patients and families	4,112,536	- 0 -	- 0 -	4,112,536
	<u>5,204,289</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>5,204,289</u>
Supporting services:				
Administration and finance	585,042	- 0 -	- 0 -	585,042
Marketing and fundraising	367,399	- 0 -	- 0 -	367,399
	<u>952,441</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>952,441</u>
Total Expenses	<u>6,156,730</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>6,156,730</u>
<b>CHANGE IN NET ASSETS</b>	777,810	(165,085)	7,721	620,446
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>5,252,503</u>	<u>1,695,390</u>	<u>33,691</u>	<u>6,981,584</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 6,030,313</u>	<u>\$ 1,530,305</u>	<u>\$ 41,412</u>	<u>\$ 7,602,030</u>

See accompanying notes to financial statements

## IMMUNE DEFICIENCY FOUNDATION

Statement of Functional Expenses  
For the Year Ended December 31, 2014

	PROGRAM SERVICES			SUPPORTING SERVICES			Grand Total
	Medical and Scientific	Services to Patients and Families	Total	Administration and Finance	Marketing and Fundraising	Total	
Salaries	\$ 446,907	\$ 1,161,964	\$ 1,608,871	\$ 271,544	\$ 177,871	\$ 449,415	\$ 2,058,286
Employee benefits	35,200	119,661	154,861	48,697	19,900	68,597	223,458
Payroll taxes, etc.	38,980	95,621	134,601	17,789	15,229	33,018	167,619
	521,087	1,377,246	1,898,333	338,030	213,000	551,030	2,449,363
Professional fees	929,598	749,142	1,678,740	148,660	66,608	215,268	1,894,008
Training, conference, conventions, & meeting	74,869	583,658	658,527	6,268	57,523	63,791	722,318
Travel	73,090	209,117	282,207	6,154	22,296	28,450	310,657
Awards and grants	75,500	39,000	114,500	- 0 -	- 0 -	- 0 -	114,500
Occupancy	31,196	118,056	149,252	38,773	14,022	52,795	202,047
Insurance	2,492	9,432	11,924	2,167	2,052	4,219	16,143
Printing and publications	9,527	69,070	78,597	8,726	15,472	24,198	102,795
Telephone	8,690	26,846	35,536	13,566	3,941	17,507	53,043
Postage and shipping	32,275	78,167	110,442	3,817	17,556	21,373	131,815
Supplies	7,392	20,116	27,508	53,096	11,044	64,140	91,648
Rental and maintenance of equipment	10,491	39,703	50,194	13,039	4,716	17,755	67,949
Miscellaneous	38	98	136	16,588	5,704	22,292	22,428
Advertising	- 0 -	18,686	18,686	- 0 -	- 0 -	- 0 -	18,686
Dues and subscriptions	5,475	9,231	14,706	5,565	5,600	11,165	25,871
	1,781,720	3,347,568	5,129,288	654,449	439,534	1,093,983	6,223,271
Depreciation and amortization	11,335	42,894	54,229	14,088	5,095	19,183	73,412
	\$ 1,793,055	\$ 3,390,462	\$ 5,183,517	\$ 668,537	\$ 444,629	\$ 1,113,166	\$ 6,296,683

See accompanying notes to financial statements



**IMMUNE DEFICIENCY FOUNDATION**

Statement of Functional Expenses  
For the Year Ended December 31, 2013

	PROGRAM SERVICES			SUPPORTING SERVICES			Grand Total
	Medical and Scientific	Services to Patients and Families	Total	Administration and Finance	Marketing and Fundraising	Total	
Salaries	\$ 321,267	\$ 1,085,952	\$ 1,407,219	\$ 233,063	\$ 135,142	\$ 368,205	\$ 1,775,424
Employee benefits	35,745	117,801	153,546	44,129	11,151	55,280	208,826
Payroll taxes, etc.	28,908	92,446	121,354	16,661	12,868	29,529	150,883
	385,920	1,296,199	1,682,119	293,853	159,161	453,014	2,135,133
Professional fees	385,528	836,740	1,222,268	145,711	78,973	224,684	1,446,952
Training, conference, conventions, & meetings	54,249	1,218,458	1,272,707	2,574	37,199	39,773	1,312,480
Travel	60,112	119,402	179,514	10,797	16,494	27,291	206,805
Awards and grants	44,449	41,700	86,149	10,000	- 0 -	10,000	96,149
Occupancy	22,956	106,667	129,623	24,321	9,057	33,378	163,001
Insurance	2,005	9,319	11,324	2,219	1,240	3,459	14,783
Printing and publications	53,807	189,969	243,776	6,708	21,354	28,062	271,838
Telephone	6,917	28,265	35,182	11,383	3,990	15,373	50,555
Postage and shipping	22,899	82,990	105,889	5,275	10,209	15,484	121,373
Supplies	13,144	18,697	31,841	41,945	4,716	46,661	78,502
Rental and maintenance of equipment	7,643	29,804	37,447	12,931	4,012	16,943	54,390
Miscellaneous	- 0 -	20	20	2,142	3,150	5,292	5,312
Advertising	200	4,826	5,026	- 0 -	7,654	7,654	12,680
Dues and subscriptions	717	41	758	1,756	583	2,339	3,097
	1,060,546	3,983,097	5,043,643	571,615	357,792	929,407	5,973,050
Depreciation and amortization	31,207	129,439	160,646	13,427	9,607	23,034	183,680
	\$ 1,091,753	\$ 4,112,536	\$ 5,204,289	\$ 585,042	\$ 367,399	\$ 952,441	\$ 6,156,730

See accompanying notes to financial statements

**IMMUNE DEFICIENCY FOUNDATION**

Statements of Cash Flows  
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 933,540	\$ 620,446
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	73,412	183,680
Realized and unrealized gain on investments	(96,740)	(86,248)
Changes in assets and liabilities:		
Increase in current assets:		
Accounts receivable	(296,345)	(3,705)
Prepaid expenses and other assets	(45,124)	(24,671)
Increase in current liabilities:		
Accounts payable and accrued expenses	108,114	65,693
Net cash provided by operating activities	<u>676,857</u>	<u>755,195</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(158,959)	(3,017)
Proceeds from sales of investments	6,498,527	3,654,269
Purchase of investments	<u>(6,997,975)</u>	<u>(4,597,251)</u>
Net cash used in investing activities	<u>(658,407)</u>	<u>(945,999)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on capital leases	<u>(1,414)</u>	<u>- 0 -</u>
Net cash used in financing activities	<u>(1,414)</u>	<u>- 0 -</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	17,036	(190,804)
<b>CASH AT BEGINNING OF YEAR</b>	<u>712,382</u>	<u>903,186</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 729,418</u>	<u>\$ 712,382</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid during the year for interest	\$ 1,479	\$ - 0 -
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:</b>		
Equipment acquisitions financed through capital lease obligations	\$ - 0 -	\$ 26,802

See accompanying notes to financial statements

# IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

## 1. Organization and Summary of Significant Accounting Policies

**Nature of Operations** - Immune Deficiency Foundation ("Foundation") is a tax exempt corporation 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 goals, primarily by seeking grants to further its efforts. The Foundation's principal sources of support and revenues are from government grants and contracts, foundation grants, and individual and corporate donations and contributions.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures at the date of the financial statements and certain reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

**Basis of Presentation** - Contributions received or made are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

**Unrestricted:** accounts for net assets without donor imposed restrictions that are available for the support of the Foundation. Unrestricted net assets are composed of the following:

- **Operating** – Represents resources available for support of operations.
- **Board Designated** – The Foundation has designated certain amounts, to function as endowment funds. Accordingly, those funds together with accumulated earnings thereon are to be spent only for purposes approved by the Foundation's Board. Additionally the Foundation has designated certain amounts to be used for specific operational purposes approved by the Foundation's Board.

**Temporarily restricted:** accounts for net assets that have donor imposed restrictions that require the Foundation to expend the donated assets as specified, and is satisfied either by the passage of time or by actions of the Foundation. When the donor restriction expires, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as "net assets released from restrictions." Any temporarily restricted resource that is received and used during the same current year is considered an unrestricted resource and is reported as unrestricted net assets.

# IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

## 1. Organization and Summary of Significant Accounting Policies (continued)

### Basis of Presentation (continued)-

Permanently restricted: accounts for net assets that have donor imposed restrictions that permit the Foundation to expend the income earned from the gifts. However, the Foundation cannot expend the original principal. The income earned from the gifts can only be expended for scholarships in accordance with the endowment agreement.

Revenue Recognition - The Foundation recognizes all public support and revenue in the period received as unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restrictions.

During 2010, National Institutes of Health (NIH) awarded the Foundation a grant to assist investigations in primary immune deficiency diseases for the period of April 1, 2010, through March 31, 2015. The Foundation submits expenses to NIH for reimbursement and recognizes revenue and expenses on the accrual basis of accounting.

Cash and Cash Equivalents - The Foundation considers cash and all highly liquid investments with a maturity of three months or less to be cash equivalents. Certificates of deposit and money market funds held for investment purposes are excluded from this classification.

Investments - The Foundation invests in a professionally managed portfolio that contains money market funds, certificates of deposit, mutual funds, and other investments which are recorded at fair value.

Accounts Receivable - Accounts receivable are carried at original invoice less an estimate made for doubtful receivables based 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 \$163,000 and \$69,000 are included in accounts receivable in the statement of financial position as of December 31, 2014 and 2013, respectively. Management determines the allowance for doubtful accounts by identifying troubled accounts and by historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Management believes that accounts receivable are fully collectible and no allowance is considered necessary as of December 31, 2014 and 2013.

Property and Equipment - Property and equipment are stated at cost. Donated property and equipment is recorded at fair value at the date of receipt. Property and equipment with an original cost or fair value greater than \$1,000 and a useful life greater than one year are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Depreciation is provided using the straight-line method over the estimated useful life of the assets, which range from three to ten years.

# IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

## 1. Organization and Summary of Significant Accounting Policies (continued)

**Valuation of Long-Lived Assets** - Long-lived assets and certain identifiable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. No impairments have been recognized as of December 31, 2014 and 2013. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

**Income Taxes** - The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) as an organization, other than a private foundation, as described in Section 509(a). The Foundation is no longer subject to U.S. federal or state income tax examinations by tax authorities for fiscal years before 2011. The Foundation did not have any unrecognized tax benefits as of December 31, 2014 and 2013 and does not expect this to change significantly over the next twelve months. The Foundation will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of December 31, 2014 and 2013, the Foundation has not accrued interest or penalties related to uncertain tax positions.

**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 and changes in net assets 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.

**Functional Allocation of Expenses** - The costs of providing the various programs and services have been summarized on a functional basis in the statements of activities and changes in net assets, and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Advertising Costs** - The Foundation expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Advertising expense was \$18,686 and \$12,680 for the years ended December 31, 2014 and 2013.

**Reclassifications** - Certain items in 2013 have been reclassified to conform with the 2014 financial statement presentation.

**IMMUNE DEFICIENCY FOUNDATION**

Notes to Financial Statements  
December 31, 2014 and 2013

2. Investments

Cost and fair value of investments at December 31, 2014 are as follows:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Cash and Cash				
Equivalents	\$ 211,621	\$ - 0 -	\$ - 0 -	\$ 211,621
Certificates of Deposit	2,156,521	83,391	(1,686)	2,238,226
Hedge Funds	990,058	- 0 -	(18,962)	971,096
Mutual Funds:				
Equity Funds	3,446,188	60,986	(54,301)	3,452,873
Fixed Income Funds	<u>554,385</u>	<u>650</u>	<u>(4,195)</u>	<u>550,840</u>
Totals	<u>\$ 7,358,773</u>	<u>\$ 145,027</u>	<u>\$ (79,144)</u>	<u>\$ 7,424,656</u>

Cost and fair value of investments at December 31, 2013 are as follows:

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Cash and Cash				
Equivalents	\$ 93,995	\$ - 0 -	\$ - 0 -	\$ 93,995
Certificates of Deposit	5,008,395	59,630	- 0 -	5,068,025
Mutual Funds:				
Equity Funds	1,063,006	53,415	- 0 -	1,116,421
Fixed Income Funds	291,621	33,244	- 0 -	324,865
Global Real Estate Fund	156,767	- 0 -	(1,007)	155,760
Commodities	<u>76,094</u>	<u>- 0 -</u>	<u>(6,692)</u>	<u>69,402</u>
Totals	<u>\$ 6,689,878</u>	<u>\$ 146,289</u>	<u>\$ (7,699)</u>	<u>\$ 6,828,468</u>

The Foundation records investment income by the "Total Return" approach, whereby realized gains and losses on the sale of invested funds, and trustee fees are included with interest and dividend income.

	<u>2014</u>	<u>2013</u>
Interest and dividends	\$ 89,275	\$ 119,255
Fees	(9,122)	- 0 -
Net realized gains		
on sales of investments	81,526	15,487
Net unrealized gains		
on investments held	<u>15,214</u>	<u>70,761</u>
Total investment gain	<u>\$ 176,893</u>	<u>\$ 205,503</u>

# IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

### 3. Fair Value of Investments

Fair values consisted of the following at December 31:

	Fair Value Measurements at Reporting Date Using:			
	2014			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Unrealized Gains (Loss)
Certificates of Deposit	\$ 2,238,226	\$ 2,238,226	\$ - 0 -	\$ 81,705
Hedge funds	971,096	- 0 -	971,096	(18,962)
Mutual funds	4,003,713	4,003,713	- 0 -	3,140
	\$ 7,213,035	\$ 6,241,939	\$ 971,096	\$ 65,883
	2013			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Unrealized Gains (Loss)
Certificates of Deposit	\$ 5,068,025	\$ 5,068,025	\$ - 0 -	\$ 59,630
Mutual funds	1,666,448	1,666,448	- 0 -	78,960
	\$ 6,734,473	\$ 6,734,473	\$ - 0 -	\$ 138,590

The fair value measurement standards establish a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets, and Level 3 inputs have the lowest priority. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used when no Level 1 inputs are available.

The Foundation's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2014 and 2013, there were no transfers into or out of Level 3.

The Foundation's investments are reported at fair value in the accompanying financial statements. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain instruments could result in a different fair value measurement at the reporting date. Consequently, the hedge funds, valued at \$971,096 and \$-0- as of December 31, 2014 and 2013 is not actively traded and is reported at fair value, based upon estimated fair market value obtained from the issuer of the investment.

# IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

## 4. Property and Equipment

Property and equipment consists of the following at December 31:

	2014	2013
Equipment	\$ 202,176	\$ 163,632
Furniture and fixtures	208,063	87,648
Software and website	1,129,850	1,129,850
	1,540,089	1,381,130
Less: accumulated depreciation	(1,320,817)	(1,247,405)
Total	\$ 219,272	\$ 133,725

## 5. Lease Commitments

On October 1, 2010, the Foundation amended its office space lease agreement to include an adjacent space. Per the amendment, the new lease expires on September 30, 2015, and has a base rent of \$153,497. The amendment calls for escalated rent payments of 3% beginning the first day of each subsequent lease year. Rent expense was \$163,712 and \$163,001 for the years ended December 31, 2014 and 2013, respectively.

On November 5, 2014, the Foundation signed an office space lease for an additional space. The lease commenced in December 2014 and is for a term of seven years and nine months, set to expire in September 2021. The base rent for the office space is \$238,989 with an escalated rent payment of 2.75% beginning the first day of each subsequent lease year. Additionally, the lease agreement stipulates a reduction in lease payments, equal to the amount of the prior office space lease, until the prior office space lease expires.

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

Year ending December 31,	2015	\$	238,989
	2016		245,561
	2017		252,314
	2018		259,253
	2019		266,382
	Thereafter		771,669
Present value of net minimum lease payments		\$	2,034,168

## 6. Operating Leases Commitments for Equipment

The Foundation is obligated under an operating lease for two copiers. The cost of the lease obligation at December 31, 2014 consists of an operating lease and maintenance agreement, payable in monthly installments of \$1,348 through August 2017, collateralized by the related office equipment.

The Foundation is obligated under an operating lease for postage machine. The cost of the lease obligation at December 31, 2014 consists of an operating lease payable in quarterly installments of \$2,943 through June 2017, collateralized by the related office equipment.

Future minimum lease payments are as follows:

Year ending December 31,	2015	\$	27,948
	2016		27,948
	2017		16,670
Present value of net minimum lease payments		\$	72,566



## IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

### 7. 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, 2014 consists of a capital lease and maintenance agreement, payable in monthly installments of \$598, collateralized by the related office equipment. The balance of the capital lease is \$25,388 and \$26,802 at December 31, 2014 and 2013, respectively. This balance includes a current portion of \$5,156 and \$3,750 for the years ended December 31, 2014 and 2013, respectively.

Future minimum lease payments are as follows:

Year ending December 31,	2015		\$	10,260
	2016			10,260
	2017			10,260
	2018			10,260
	2019			<u>2,565</u>
Total minimum lease payments				43,605
Less: amount representing maintenance contract				(13,107)
Less: amount representing interest				<u>(5,110)</u>
Present value of net minimum lease payments				<u>\$ 25,388</u>

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

Cost		\$	30,112
Less: accumulated depreciation			<u>(5,798)</u>
Net carrying value		\$	<u>24,314</u>

The value of the equipment and related accumulated depreciation are included in property and equipment on the statement of financial position as of December 31, 2014 and 2013. Annual depreciation expense totaled \$5,352 and \$446 for the years ended December 31, 2014 and 2013, respectively.

### 8. Board Designated Net Assets

The board has designated unrestricted net assets for the following projects at December 30:

	<u>2014</u>		<u>2013</u>
Board designated endowment	\$ 4,191,307	\$	3,093,344
Board directed	1,062,530		- 0 -
PIRC designated	<u>128,974</u>		<u>141,255</u>
Total board designated net assets	<u>\$ 5,382,811</u>	\$	<u>3,234,599</u>

## IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

### 9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2014</u>	<u>2013</u>
National Conference	\$ 735,000	\$ 76,000
Core Services	275,000	475,000
Communication Initiative	57,151	148,130
Advocacy	110,000	-0-
Teen Program	109,032	168,200
E Personal Health Record	50,000	90,000
Education and Mentoring	-0-	60,000
Outreach and Training	-0-	70,400
Nurse Advisory Committee	25,000	46,000
NAC CEU Online Course	27,200	24,000
Retreats	-0-	135,000
Research Project	-0-	40,000
Medical and Scientific	99,625	50,000
Survey Research	104,063	-0-
Public Policy	-0-	12,875
USIDNET	64,400	34,700
General Sponsorship	79,062	75,000
Fundraising Walks	-0-	15,000
Arcade Exclusive Sponsorship	-0-	10,000
	<u>\$ 1,735,533</u>	<u>\$ 1,530,305</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows during the years ended December 31:

	<u>2014</u>	<u>2013</u>
National Conference	\$ 76,000	\$ 449,740
Core Services	475,000	378,750
Communication Initiative	117,115	149,170
Teen Program	168,200	68,500
E Personal Health Record	90,000	104,300
Education and Mentoring	60,000	100,600
Friends Sponsorship	-0-	79,000
Outreach and Training	70,400	5,350
Patient Programs	-0-	50,000
Nurse Advisory Committee	46,000	36,000
NAC CEU Online Course	21,800	20,000
Retreats	135,000	-0-
Research Project	40,000	-0-
Medical and Scientific	391	-0-
Public Policy	12,875	-0-
General Sponsorship	75,000	-0-
Fundraising Walks	15,000	-0-
Arcade Exclusive Sponsorship	10,000	4,000
	<u>\$ 1,412,781</u>	<u>\$ 1,445,410</u>

## IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

### 10. Endowment Funds and Other Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed restrictions requiring that the principal be invested in perpetuity. Permanently restricted net assets at December 31, 2014 and 2013, consisted of a donor restricted endowment fund. The permanently restricted balance was \$47,038 and \$41,412 at December 31, 2014 and 2013, respectively.

During 2011, the Board of Trustees passed a resolution to create a board designated endowment. The board designated endowment balance was \$4,191,307 and \$3,093,344 as of December 31, 2014 and 2013, respectively.

As required by generally accepted accounting principles, net assets associated with the endowment fund designated by the Board of Trustees to function as an endowment, are classified and reported based on the existence or absence of donor imposed restrictions. Therefore, the Foundation's Board Designated endowment fund is classified as part of unrestricted net assets.

Interpretation of relevant law: The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets and is expendable for scholarships in accordance with the endowment agreement and in a manner consistent with the standard of prudence prescribed by UPMIFA.

Return objective and risk parameters: The donor restricted endowment is funded by either or both of the annual contributions made to the Scholarship Program that exceed the funds necessary to support the scholarships awarded each year; and contributions and monies generated by fundraising events that are specially designated as funds allocated for the endowment. The investment return goal is to generate a 5% to 8% annual return while invested in conservative investment instruments.

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.

## IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

### 10. Endowment Funds and Other Permanently Restricted Net Assets (continued)

Spending policy: No distributions shall be made from the permanently restricted, donor restricted endowment until the endowment has attained a balance of \$100,000. Once the endowment attains a balance of \$100,000 distributions of 5% of the endowment balance may be made to the Scholarship Program.

Distributions for the board designated endowment may be made at the discretion of the Board.

Changes in endowment and other permanently restricted net assets for the years ended December 31, 2014 and 2013, are as follows:

	<b>2014</b>				
	Unrestricted	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ - 0 -	\$ 3,093,344	\$ - 0 -	\$ 41,412	\$ 3,134,756
Contributions	- 0 -	1,000,000	- 0 -	4,183	1,004,183
Investment gain	- 0 -	97,963	- 0 -	1,443	99,406
	<u>\$ - 0 -</u>	<u>\$ 4,191,307</u>	<u>\$ - 0 -</u>	<u>\$ 47,038</u>	<u>\$ 4,238,345</u>

  

	<b>2013</b>				
	Unrestricted	Unrestricted Board Designated	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ - 0 -	\$ 734,519	\$ - 0 -	\$ 33,691	\$ 768,210
Contributions	- 0 -	2,247,767	- 0 -	7,000	2,254,767
Investment gain	- 0 -	111,058	- 0 -	721	111,779
	<u>\$ - 0 -</u>	<u>\$ 3,093,344</u>	<u>\$ - 0 -</u>	<u>\$ 41,412</u>	<u>\$ 3,134,756</u>

### 11. Retirement Program

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 services. 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% of the first 3% an employee contributes and 50% of the next 2% the employee contributes. The Foundation's contributions were \$48,929 and \$40,534 for the years ended December 31, 2014 and 2013, respectively.

### 12. Line of Credit

The Foundation had a line of credit agreement with a bank for \$500,000, which expired on December 10, 2014. The line bears interest at the prime rate as set by the bank plus 1 % (indexed rate). The line was subject to an interest rate floor of 5%. The line was secured by substantially all of the Foundation's assets. As of December 31, 2014 no funds were available on the line of credit.

On October 6, 2014 the Foundation obtained a line of credit from J.P. Morgan Chase Bank for \$1,000,000, which expires on September 28, 2015. The line bears interest at the index which is the LIBOR rate plus 1.9% (indexed rate). The line was secured by substantially all of the Foundation's assets. As of December 31, 2014, the Foundation had no outstanding balance on the line of credit and \$1,000,000 was available.

# IMMUNE DEFICIENCY FOUNDATION

Notes to Financial Statements  
December 31, 2014 and 2013

## 13. Concentrations of Credit Risk

The Foundation has deposits in financial institutions, which, at times, may exceed Federal Deposit Insurance Corporation and Securities Investor Protection Corporation (FDIC and SIPC) insured limits. The Foundation has not experienced any losses in such accounts and continually reviews credit concentrations as part of its asset and liability management.

## 14. Contingencies

The Foundation participates in a federal award program. This program is subject to program compliance audits in accordance with the Single Audit Act, or by grantors or their representatives. Accordingly, the Foundation's compliance with applicable grant requirements will be established at some future date.

The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although management expects such amounts, if any, will not be significant.

## 15. Dissolution of PIRC

On June 29, 2013 the Board of Trustees of PIRC approved in the manner and by the vote required by its Charter the dissolution of PIRC. The Board of Trustees of PIRC, by unanimous written consent, duly authorized and adopted a resolution declaring that the dissolution of the Corporation was advisable, and directing that the proposed dissolution be submitted to the sole member of the Corporation for consideration and approval. The sole member of the Corporation, by written consent, duly authorized and adopted a resolution approving the proposed dissolution of the Corporation. On July 17, 2013, the Foundation acquired 100% of the assets of PIRC which amounted to \$159,536 in cash.

## 16. Effects of Current Economic Conditions and Contributions

The Foundation depends heavily on contributions and grants for its revenue. The ability of certain of the 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 Foundations Board of Trustees believe 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.

## 17. 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.

## 18. Subsequent Events

Management has evaluated subsequent events through June 30, 2015, the date which the financial statements were available to be issued.

**Single Audit Report**



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees  
Immune Deficiency Foundation  
Towson, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Immune Deficiency Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, 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 30, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Immune Deficiency 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 Immune Deficiency 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards (Continued)*

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Immune Deficiency 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, 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weyrich, Cronin + Sorra, Chtd.

June 30, 2015  
Lutherville, MD





Independent Auditors' Report on Compliance For Each Major Program and on Internal Control  
Over Compliance Required by OMB Circular A-133

Board of Trustees  
Immune Deficiency Foundation  
Towson, Maryland

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

We have audited Immune Deficiency Foundation's (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Immune Deficiency Foundation's major federal programs for the year ended December 31, 2014. Immune Deficiency Foundation's major federal programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Immune Deficiency Foundation'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Immune Deficiency Foundation'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 each major federal program. However, our audit does not provide a legal determination of Immune Deficiency Foundation's compliance.

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

In our opinion, Immune Deficiency Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.



Independent Auditors' Report on Compliance For Each Major Program and on Internal Control  
Over Compliance Required by OMB Circular A-133 (Continued)

**Report on Internal Control Over Compliance**

Management of Immune Deficiency Foundation 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 Immune Deficiency Foundation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Immune Deficiency Foundation'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wyrich, Cronin + Sorra, Chtd.

June 30, 2015  
Lutherville, MD

**REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION**

**IMMUNE DEFICIENCY FOUNDATION**

Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2014

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
US DEPARTMENT OF HEALTH AND HUMAN SERVICES National Institutes of Health			
<u>Research and Development Cluster:</u> Allergy, Immunology and Transplantation Research Resources to Assist Investigations in Primary Immunodeficiency Diseases	93.855	5U24AI086037	\$ 560,442

This schedule should be read only in connection with the accompanying  
notes to schedule of expenditures of federal awards

**IMMUNE DEFICIENCY FOUNDATION**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the organization and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Subrecipients

Of the federal expenditures presented in the schedule, the Foundation provided federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipients</u>
93.855	Resources to Assist Investigations in Primary Immunodeficiency Diseases	\$220,402

# IMMUNE DEFICIENCY FOUNDATION

## Schedule of Findings and Questioned Costs For the Year Ended December 31, 2014

### 1. Summary of Auditors' Results

- (i) The independent auditors' report expresses an unmodified opinion on the financial statements of the Immune Deficiency Foundation.
- (ii) No material weaknesses or significant deficiencies were disclosed during the audit of the financial statements of the Immune Deficiency Foundation.
- (iii) No instances of noncompliance material to the financial statements of the Immune Deficiency Foundation, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- (iv) No material weaknesses or significant deficiencies in internal control over the major federal award program were disclosed during the audit.
- (v) The independent auditors' report on compliance for the major federal award program for the Immune Deficiency Foundation expresses an unmodified opinion on the major federal award program.
- (vi) There were no findings and questioned costs for federal awards which would include audit findings as defined in accordance with Section 510(a) of OMB Circular A-133.
- (vii) The following program was tested as the major federal award program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.855	Resources to Assist Investigations in Primary Immunodeficiency Diseases

- (viii) The threshold used for distinguishing between Type A and Type B programs was \$300,000.
- (ix) The Immune Deficiency Foundation qualified as a low-risk auditee.

### 2. Financial Statement Audit Findings:

None

### 3. Findings And Questioned Costs For Major Federal Award Programs Audit:

None

**IMMUNE DEFICIENCY FOUNDATION**

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2014

1. Financial Statement Audit Findings (Prior Year):

None

2. Findings And Questioned Costs For Major Federal Award Programs Audit (Prior Year):

None