



LYDON FETTEROLF CORYDON, P.A.
Certified Public Accountants • Management Consultants

November 12, 2021

Board of Directors,
Jeff Allen, Executive Director, and
Heather Chaney, Director of Operations
Friends of Cancer Research
1800 M Street NW
Suite 1050S
Washington, DC 20036

Ladies and Gentlemen:

We are pleased to confirm our understanding of the audit and tax services we are to provide for Friends of Cancer Research for the year ended December 31, 2021.

Audit Scope and Objectives

We will audit the financial statements of Friends of Cancer Research, which comprise the statement of financial position as of December 31, 2021, the related statements of activities, schedule of functional expenses and cash flows for the year then ended, and the disclosures (collectively, the “financial statements”).

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor’s Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

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Auditor's Responsibilities for the Audit of Financial Statements (continued)

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Organization and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified revenue recognition as a significant risk of material misstatement in the prior-period audit that we believe is still relevant to the current period. Planning for the December 31, 2021 audit has not been concluded as of the date of this letter, and modifications to our risk assessment may be made.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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Auditor's Responsibilities for the Audit of Financial Statements (continued)

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables, certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Other Services

We will prepare the Organization's Federal Form 990 for the year ended December 31, 2021 based on the information provided by you. We will assist you in the preparation of the annual financial statements of the Organization in conformity with U.S. generally accepted accounting principles based on the information provided by you.

We will perform our tax services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

We will also provide monthly bookkeeping services, which include recording adjusting and reclassification journal entries, and prepare monthly financial statements of Friends of Cancer Research in QuickBooks Online in conformity with U.S. generally accepted accounting principles for the year ended December 31, 2021 based on information provided by you.

We will deliver the monthly financial statements to Management and also provide a copy of the general ledger detail, which includes the journal entries and description of the nature of each entry. Management will review the monthly financial statements, general ledger detail, and entries in QuickBooks Online. Management will ask any questions about or request changes to any of the entries. Management will review the monthly financial information and reports, provide feedback and or corrections. We will make changes based upon Management review then and Management will approve the monthly bookkeeping services.

We will perform monthly bookkeeping services in accordance with applicable professional standards. The other services are limited to the monthly bookkeeping financial statement preparation and tax services as previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. You are also responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations. You agree to assume all management responsibilities for the monthly bookkeeping, financial statement preparation and Tax services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

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Responsibilities of Management for the Financial Statements (continued)

We will provide you a list of required schedules before the audit begins. Friends of Cancer Research personnel will prepare the required schedules and analyses. Timely completion of the audit depends on your preparing schedules and analyses timely and accurately. If there are delays in preparing this material or if schedules must be continually revised, our fees will increase. We will advise you of any difficulties or delays in completing the engagement.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Jeff Corydon, IV, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees, excluding travel and other out-of-pocket costs, for the audit and other services of Friends of Cancer Research for the year ending December 31, 2021 are as follows:

| <u>Services</u> | <u>Timetable</u> | <u>Fee Estimate</u> |
|--|------------------|---------------------|
| Financial Statement Audit- FYE 12/31/21 | 5/31/22 | \$ 20,500 |
| 990 Tax Return - FYE 12/31/21 | 7/31/21 | <u>\$ 3,750</u> |
| | | <u>\$ 24,250</u> |

We will, at your request, be available to attend Friends of Cancer Research's Board of Directors meetings. Fees for attending board meetings are \$3,500 per day (out of town), or \$395 per hour (local), plus out-of-pocket expenses.

Invoices will be submitted every month as the work progresses and are due net 30 days. Special accounting, tax, or other consulting services on specific matters that may be requested will be billed at our customary rates for the services rendered. We will discuss the fees with you before performing the service.

Engagement Administration, Fees, and Other (continued)

Presently our fee schedule is as follows:

| | |
|---|--------------------------|
| Principals | \$ 340 - \$ 450 per hour |
| Managers | \$ 240 - \$ 335 per hour |
| Supervisors | \$ 160 - \$ 235 per hour |
| Senior Accountants | \$ 110 - \$ 150 per hour |
| Staff Accountants | \$ 70 - \$ 105 per hour |
| Bookkeepers, Clerical and Computer Personnel | \$ 70 - \$ 95 per hour |

Dispute Resolutions

If any disputes arise among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. All parties shall share the costs of any mediation proceeding equally.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

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Reporting

We will issue a written report upon completion of our audit of Friends of Cancer Research's financial statements. Our report will be addressed to the Organization's Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions regarding any of this information, we will be pleased to discuss it at any time. Should the foregoing be in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Sincerely,

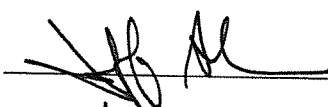


Jeff Corydon, IV, CPA, CFP®

I understand that the purpose of this letter is to clarify both the nature of your engagement as well as the fee arrangement.

ACCEPTED:

Friends of Cancer Research

By:  _____

Date: 11/11/21 _____