

2020 FINANCIAL REPORT

**Stichting Practica
Papendrecht**

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Practica Foundation - Management report

Structure of board and executive management

Our foundation was established on 21 February 2001 and is registered under the name 'Stichting PRACTICA' at the Chamber of Commerce Arnhem, registration number 09119363. As by the statutes, PRACTICA is a non-profit organization. The foundation is governed by a board, consisting of a minimum of three members. At the start of 2020, the board was formed by Mr. H. Aalderink, Chairman and Mrs. A. Kuiken (Secretary). Mr. F. Baas (Treasurer) joined the Board on 9th of March as a member. Currently, the board has two vacancies for which candidates are actively being recruited.

At the start of 2020, the executive management was formed by a management team consisting of R. Vuijk, M. Heurter, M. van den Broek, and M.T. Westra. On July 1st, M. van den Broek left the MT as she resigned from Practica. B. van den Pol joined the MT shortly after. Next to the head office in Papendrecht, the Netherlands, we have a field office in Antananarivo, Madagascar under the management of Country Director Mr. X. Gras.

Aims and strategy

The mission of Practica Foundation is to improve the living standard of the rural population of developing countries by introducing practical, affordable and innovative small-scale technologies within our key themes rural water supply, groundwater development, smallholder farmer irrigation and faecal sludge management. To establish sustainable supply chains, we strengthen the skills and tools of local enterprises to manufacture, import, operate or sell innovative technologies. In addition, PRACTICA acts as a clearing house, advocate and source of practical knowledge on promising new affordable technologies in the water and sanitation sector. By developing and disseminating technologies and concepts including successful business models, we trigger socio-economic change and sustainable services. The current goals of the foundation still fit closely to the statutory goals.

On the operational level, PRACTICA acts as a non-profit consultancy organization: we partner with international and local organizations that share our goals, and support those organizations to implement technical innovations within their programs through time-limited projects. We charge a consultancy fee for those services based on an organizational cost-recovery basis. In case the activities result in surplus revenues, these are invested in in-house applied research and product development to ensure continued innovation in the sector.

Results

Our work in the year 2020 was heavily impacted by COVID-19. The work of Practica is for a large part performed abroad, in Africa and Asia. From March onwards, no flights have been possible for the entire year, leading to projects being cancelled or postponed. As a significant downturn of our result was expected, we made the hard decision to let go three staff members, and to implement a voluntary one-time reduction of staff salary during the month of May. In addition, our way of working was changed. Examples are using mobile-phone based surveys with in-country enumerators, Zoom/Skype based trainings, and also diversification to GIS projects using remote sensing and machine learning.

Despite the difficult circumstances, we have been able to execute 34 different projects under contract, with a total turnover of 991.5 kEuro. This has led to a limited negative financial result of 4 kEuro. The contracted projects were in line with our mission. The projects were executed with a team of 7 (5.35 FTE) in our head office in the Netherlands, 7 in our Madagascar office, 3 technical experts in Benin, Morocco and Mauretania.

At the very start of 2021 we won two large contracts, PARIIS and IRRINN, both focussed on small-scale irrigation in West Africa and one Aqua4All project on sanitation in West Africa. Together with our existing project portfolio, we expect 2021 to be a successful year, with an expected turnover of 1.7M Euro and a positive result of 124 kEuro, which means that we expect the financial position of Practica to further improve in 2021.

Next to the contracted projects, we have been able to continue investing in innovation, which is essential for the continuity of the organization. In 2020 this has led to further improvements to solar-powered irrigation pumps and to our mechanical water payment system (TokenTap). Our software suite The Driller's Toolbox was enhanced with a module for pump testing. A new development was the PuPu pump, an innovative and highly mobile fecal sludge pump for areas that are hard to access with traditional vacuum trucks. The pump is now being tested in the field in Madagascar. Focal areas for innovation were in line with our four key themes.

With the current reserves of the foundation and the project portfolio, the solvency and liquidity position of the organisation at the balance sheet date is good enough to continue operations in the foreseeable future. With the contracted projects and evaluation of the prospects, we do not expect that we will require loans to continue the viable operation of the organization.

Intentions Board 2021

In 2021, the Board will continue to focus on guiding the consolidation and evaluating the effectiveness of the management team that has been initialised in 2019 and has operated in 2020. A second focal point is the valorisation of new products that have been developed in the past years.

At the start of 2021, an increase in staff of 1 FTE will be made. In addition, project staff will be hired for the PARIIS project. The situation of housing will remain the same.

For the budget of 2021 we expect a turnover of 1.7M Euro, and a positive result of 124k Euro. This is needed to complement the continuity reserve of Practica. The current project portfolio, together with the leads, give sufficient confidence in reaching this result. No large changes are projected in the fixed costs part of the budget, including salaries and office costs, when compared to last year. The Board believes there is sufficient room for future growth within the current themes, as they are well aligned with outside forces such as government policies on international development, and global efforts towards reaching the Sustainable Development Goals.

Risk and risk mitigation

There are two major risks we see for our work in 2021: a continuation of the disruption caused by COVID-19, and the safety issues in unstable states. Many projects were postponed from 2020 to 2021, and can start when the situation allows. We expect that flights will resume in a limited capacity by February next year. A hopeful development is that in Madagascar, internal travel restrictions have been lifted at the end of 2020, allowing full continuation of our work there. In addition, due to our mitigation measures, we are now better equipped to execute projects remotely.

As regards safety, we see a risk in Burkina Faso, where significant safety issues exist mainly in areas away from the capital. As one of our staff members will take up residence in Burkina Faso next year, this needs special attention. Mitigation measures include a restriction to travel to red zones, and further restrictions on night-time travel. If the situation deteriorates, we may need to postpone or cancel the project activities, which will result in a reduction of the turnover. In that event, we will use the human resources for additional acquisition for farmer led irrigation projects in safer parts of West Africa, where we see a large potential for PRACTICA to increase our work and impact.

Changing donor policies is seen as a minor risk for the short term and a medium risk for the long term; our project portfolio relies on a wide range of different clients and donors and the immediate effects can be offset by other projects. In addition, the themes of Practica are well aligned with current donor priorities. For the long term, we are looking at diversification of income sources to reduce donor dependency, exploring closer cooperation with Dutch SME's on basis of their Corporate Social Responsibility policies and philanthropic institutions.

Policy on financial reserves

Financial reserves of the foundation are deposited at savings accounts of Dutch banks with an aim for a maximum of €100.000 per bank. Financial reserves are never invested in stock exchange funds or similar high-risk products. A continuity reserve of 50% of annual operational cost is targeted. Surplus funds are invested in Research and Development activities.

Papendrecht, February XXth, 2021

H. Aalderink
Chairman

ANNUAL FINANCIAL STATEMENTS

Balance as of December 31, 2020

Assets		31/12/2020		31/12/2019	
	<i>ref</i>	EUR	EUR	EUR	EUR
<i>Fixed Assets</i>					
Intangible Fixed Assets					
Digital Toolbox	2.1	21,690		21,690	
TokenTap		<u>7,620</u>		<u>7,620</u>	
			29,310		29,310
Tangible Fixed Assets					
Other non current assets	2.2	<u>6,545</u>		<u>13,528</u>	
			6,545		13,528
Financial Fixed Assets					
Rent deposit		<u>0</u>		<u>6,897</u>	
			0		6,897
<i>Current Assets</i>					
Inventories		11,923		19,188	
Accounts Receivable	2.3	61,603		200,140	
Other receivables, prepayments and accrued income	2.4	<u>21,091</u>		<u>359</u>	
			94,617		219,687
Cash and cash equivalents					
	2.5		373,214		273,432
			<u>503,686</u>		<u>542,854</u>
Equity and liabilities					
Equity					
Continuity reserve	2.6	180,905		185,035	
Allocated reserves	2.6	7,620		7,620	
			188,525		192,655
Short-term debts					
Accounts payable		26,744		84,763	
Taxes and social insurance premiums	2.7	7,077		15,025	
Current Projects	2.8	246,964		212,949	
Other debts, accruals and deferred income	2.9	<u>34,376</u>		<u>37,462</u>	
			315,161		350,199
			<u>503,686</u>		<u>542,854</u>

Statement of revenues and expenses for the year 2020

		realization	budget	realization
	<i>ref</i>	2020	2020	2019
		EUR	EUR	EUR
Revenues		972,097	1,540,000	963,429
Government wage cost subsidy NOW*	3.1	31,395	0	0
Project costs	3.2	-537,546	-860,700	-461,781
		465,946	679,300	501,648
* The amount of the NOW subsidy has not been formally established by the government yet at the time of closing of the fiscal year 2020.				
Personnel costs	3.3	342,001	455,800	416,012
Depreciation	3.4	7,272	8,000	7,516
Other operational expenses	3.5	108,971	166,900	157,255
Total expenses		458,244	630,700	580,783
Operating result		7,702	48,600	-79,135
Finance result		-11,832	-3,450	-2,941
Deficit for the year		-4,130	45,150	-82,076

The deficit for the year 2020 is added to the following reserves:

	2020	2019
	EUR	EUR
- Continuity reserve	-4,130	-89,696
- Allocated reserves		7,620
	-4,130	-82,076

Cash flow statement for the year ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Cash flow from operating activities		
Operating result	7,702	-79,135
<i>Adjustments for:</i>		
Depreciation	7,272	7,516
<i>Changes in working capital</i>		
Changes in receivables	124,702	-55,365
Changes in inventories	7,265	12,721
Changes in liabilities	-35,038	72,745
	<u>96,929</u>	<u>30,101</u>
Cash flow from operating activities	111,903	-41,518
Finance result	<u>-11,832</u>	<u>-2,941</u>
Cash flow from operating activities	100,071	-44,459
Cash flow from investment activities		
Investments in tangible fixed assets	-939	-6,655
Investments in intangible fixed assets	0	-29,310
Desinvestments in tangible fixed assets	650	0
	<u>-289</u>	<u>-35,965</u>
Cash flow from investment activities	-289	-35,965
Net increase/(decrease) in cash and cash equivalents	99,782	-80,424
Cash and cash equivalents as per January 1	273,432	353,856
Changes in cash and cash equivalents	99,782	-80,424
Cash and cash equivalents as per December 31	<u><u>373,214</u></u>	<u><u>273,432</u></u>

Notes to the balance sheet and the statement of revenues and expenses

1 General notes

1.1 Accounting policies for the balance sheet

General

The financial statements have been prepared in accordance with the Dutch Accounting Standard C1 “Kleine-organisaties-zonder-winststreven” as issued by the Dutch Accounting Standards Board. The financial statements are expressed in euros. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and statement of revenues and expenses include references to the notes.

(In)Tangible Fixed Assets

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses.

Inventories

Inventories are valued at cost price based on the FIFO method (first in, first out) or lower realisable value.

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances. Cash and cash equivalents are carried at nominal value.

Reserves

The reserves are at the disposal of the board.

Short-term debts

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

1.2 Prior-year comparison

The accounting policies have been consistently applied to all the years presented.

1.3 Estimates

The preparation of the financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the foundation. If necessary for the purpose of providing the essential view, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

1.4 *Accounting policies for the statement of revenues and expenses*

General

Results are determined as the difference between the realisable value of the services rendered, and the costs and other charges for the year. Revenues are recognised in the year in which they are realized; losses are taken as soon as they are foreseeable.

Revenues

The subsidies and gifts are accounted for in the year to which they relate. Revenues are recognized based on the services performed to the balance sheet date as a percentage of the total services to be performed and in accordance with the subsidy conditions.

Depreciation

(In)Tangible fixed assets are depreciated over their estimated useful lives as from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

Project costs

Costs of projects represents direct expenses attributable to the services performed.

Employee benefits

Salaries, wages and social security contributions are taken to the statement of revenues and expenses based on the terms of employment, where they are due to employees.

Other operational expenses

Other operating expenses comprise costs chargeable to the year that are not directly attributable to the costs of projects.

1.5 *Notes to the cash flow statement*

The cash flow statement has been prepared using the indirect method. The cash and cash equivalents disclosed in the cash flow statement comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average exchange rates. Interest received is included in net cash from operating activities.

2 Explanatory notes regarding the balance

2.1 Intangible Fixed Assets*

	Digital Toolbox	Token App
	<u>EUR</u>	<u>EUR</u>
January 1, 2020		
Acquisition price	21,690	7,620
Accumulated depreciation	<u>0</u>	<u>0</u>
Book value	21,690	7,620
Changes in 2020		
Investments	0	0
Depreciation	<u>0</u>	<u>0</u>
* Intangible fixed assets will be used as from 2021.	0	0
December 31, 2020		
Acquisition price	21,690	7,620
Accumulated depreciation	<u>0</u>	<u>0</u>
Book value	21,690	7,620

2.2 Tangible Fixed Assets

	Other non current assets
	<u>EUR</u>
January 1, 2020	
Acquisition price	51,729
Accumulated depreciation	<u>-38,201</u>
Book value	13,528
Changes in 2020	
Investments	939
Divestments	-5,182
Divestment depreciation	5,182
Bookresults on divestments	-590
Depreciation	<u>-7,332</u>
	-6,983
December 31, 2020	
Acquisition price	46,637
Accumulated depreciation	<u>-40,092</u>
Book value	6,545
Depreciation percentages	20- 33,3%

2.3 Accounts Receivable

	<u>31/12/2020</u>	<u>31/12/2019</u>
	EUR	EUR
Accounts Receivable	61,603	200,140

Provision for doubtful debts	<u>0</u>	<u>0</u>
	61,603	200,140

2.4 Other receivables, prepayments and accrued income

	<u>31/12/2020</u>	<u>31/12/2019</u>
	EUR	EUR
Pre-paid costs and other receivables	<u>21,091</u>	<u>359</u>
	21,091	359

2.5 Cash and cash equivalents

	<u>31/12/2020</u>	<u>31/12/2019</u>
	EUR	EUR
ASN Bank	153,706	53,686
Triodos Bank	202,509	171,013
Societe Generale Madagascar	15,075	47,049
Cash USD	<u>1,924</u>	<u>1,684</u>
	373,214	273,432

The cash and cash equivalents are freely disposable

2.6 Equity

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Continuity reserve		
At 1 January	185,035	274,731
Result appropriation	<u>-4,130</u>	<u>-89,696</u>
At 31 December	180,905	185,035

The continuity reserve serves as a buffer in the event certain calamities occur in the future. The Board agreed that Practica will work towards a continuity reserve in 2022 of € 395.273 (based on 50% of the annual operational costs prognosis for 2022 of € 790.546), increasing linearly every year if the surplus allows.

	<u>2020</u> EUR	<u>2019</u> EUR
Allocated reserves		
At 1 January	7,620	0
Result appropriation	<u>0</u>	<u>7,620</u>
At 31 December	7,620	7,620

The Allocated reserve was created by the activation of the Token Tap application, that is developed in-house, on the balance

Short-term debts

2.7 Taxes and social insurance premiums

	<u>31/12/2020</u> EUR	<u>31/12/2019</u> EUR
Payroll taxes	<u>7,077</u>	<u>15,025</u>
	7,077	15,025

2.8 Current projects

	<u>31/12/2020</u> EUR	<u>31/12/2019</u> EUR
- Invoiced in advance	322,700	225,453
- To be invoiced	<u>-75,736</u>	<u>-12,504</u>
	246,964	212,949

2.9 Other debts, accruals and deferred income

	<u>31/12/2020</u> EUR	<u>31/12/2019</u> EUR
Other debts	171	0
Holiday allowances	10,242	15,990
Vacation days	14,549	15,622
Auditor's fees	<u>9,414</u>	<u>5,850</u>
	34,376	37,462

2.10 Rights and obligations not included in the balance sheet

The foundation has entered into a rental obligation for housing for an amount of € 37.361 per year. This obligation expires with a notice period of 1 year.

3 Explanatory notes to the statement of revenues and expenses

3.1 Revenues

	realization 2020	budget 2020	realization 2019
	EUR	EUR	EUR
Revenues	972,097	1,540,000	963,429
Government wage cost subsidy NOW*	31,395	0	0
	1,003,492	1,540,000	963,429

* The amount of the NOW subsidy has not yet been formally established by the government at the time of closing of the fiscal year 2020.

3.2 Project costs

	realization 2020	budget 2020	realization 2019
	EUR	EUR	EUR
Consultants / personel costs projects	380,917	351,025	302,687
Material / other costs projects	156,629	509,675	159,094
	537,546	860,700	461,781

Personnel costs in Madagascar for projects are recognized directly under project costs

3.3 Personnel costs

	realization 2020	budget 2020	realization 2019
	EUR	EUR	EUR
Wages and salaries	255,424	353,000	316,335
Social security contributions	53,702	63,000	63,540
Other personnel costs	16,618	19,800	24,489
Coverage wage costs (activation of own prod. dev.)	0	0	-7,620
Salaries Madagaskar	16,257	20,000	19,268
	342,001	455,800	416,012
Average number of FTEs in service Netherlands	5.3	6.0	6.0
Average number of FTEs in service Madagascar	3.1	2.2	2.2

3.4 Depreciation

	realization 2020	budget 2019	realization 2018
	EUR	EUR	EUR
Depreciation	7,332	8,000	7,516
Book result desinvestments	-60		0
	7,272	8,000	7,516

3.5 Other operational expenses

	realization 2020	budget 2020	realization 2019
	EUR	EUR	EUR
Housing costs	43,497	49,100	44,854
Sales costs	36	0	0
Office expenses	23,153	39,500	48,068
General costs	27,069	33,000	22,549
Internal projects	15,216	45,300	41,784
	108,971	166,900	157,255

**BUDGET of revenues and expenses for the
year 2021**

	budget 2021 EUR
Revenues	1,730,000
Project costs	<u>-1,060,000</u>
	670,000
Personnel costs	422,590
Depreciation	8,000
Other operational expenses	<u>108,450</u>
Total expenses	539,040
Operating result	130,960
Finance result	<u>-6,500</u>
Result for the year	124,460

Papendrecht, 2021

On behalf of the General Management

H. Aalderink
Chairman

F.Baas
Treasurer

A. Kuiken
Secretary

Stichting Practica
Geulweg 16-18
3356 LB PAPENDRECHT

Stichting Practica
Geulweg 16
3356 LB PAPENDRECHT

INDEPENDENT AUDITOR'S REPORT

To: the board and management of Stichting Practica

Report on the audit of the financial statements 2020 included in the 2020 annual report

Our opinion

We have audited the financial statements 2020 (page 5-14) of Stichting Practica based in Papendrecht.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Practica as at 31 December 2020 and of its result for 2020 in accordance with the RJ-Richtlijn C1 'kleine organisaties-zonder-winststreven' (RJ-Richtlijn C1, guideline for annual reporting for small non-profit organisations) of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2020 (with a balance sheet total of € 503,686);
2. the statement of income & expenditure (with a total negative result of € 4,130; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the accompanying financial statements' section of our report.

We are independent of Stichting Practica in accordance with the 'Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the 2020 annual report

In addition to the financial statements and our auditor's report thereon, the 2020 annual report contains other information that consists of:

- management report;
- budget 2020.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the RJ-Richtlijn C1.

- 2 -

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board and management are responsible for the preparation of the director's report and other information in accordance with the RJ-Richtlijn C1.

Description of responsibilities regarding the financial statements

Responsibilities of the board and management for the financial statements

The board and management are responsible for the preparation and fair presentation of the financial statements in accordance with the RJ-Richtlijn C1. Furthermore, the board and management are responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board and management are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, board and management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The board and management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements.

Furthermore, the board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

Was signed Sliedrecht, 18 March 2021.

WITh accountants B.V.
P. Alblas RA

Enclosure.

Enclosure to our auditor's report by the accompanying financial statements 2020 of Stichting Practica, based in Papendrecht

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit 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, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.