

ALLIANCE FOR AFRICAN ASSISTANCE, INC.

Audited Financial Statements

JUNE 30, 2024

FINANCIAL STATEMENTS

ALLIANCE FOR AFRICAN ASSISTANCE, INC.

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FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Alliance for African Assistance, Inc.
San Diego, California

Opinion

I have audited the financial statements of Alliance for African Assistance, Inc. (AAA), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, changes in net assets, and cash-flow for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AAA as of June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of AAA and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AAA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AAA's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated February 7, 2025, on my consideration of AAA's internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AAA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with government auditing standards in considering AAA's internal control over financial reporting and compliance.



Carson, California
February 7, 2025

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Statement of Financial Position
June 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTED	TOTAL
<u>ASSETS</u>			
Cash and Cash Equivalents (Notes 5)	\$ 3,334,842	\$ 256,180	\$ 3,591,022
Grants and Contracts Receivable, Net	1,378,646	378,081	1,756,727
Prepaid Expenses	34,770		34,770
Other Receivables	113,585		113,585
Property, Furniture, and Equipment (Notes 2 and 4)	4,246,533		4,246,533
Notes Receivable (Net)	301,213		301,213
Deposits	1,695		1,695
Interfund Transfers	(354,530)	354,530	-
Total Assets	<u>\$ 9,056,754</u>	<u>\$ 988,791</u>	<u>\$ 10,045,545</u>
<u>LIABILITIES</u>			
Accounts Payable and Other Accrued Expenses	\$ 291,503		\$ 291,503
Account Payable - Homeland Security	6,232		6,232
Excess Federal Funds Drawn	354,061		354,061
Accrued Vacation Pay (Note 12)	73,083		73,083
Tenant Security Deposits	1,800		1,800
Mortgages and Loans Payable (Note 10)	1,226,038		1,226,038
Total Liabilities	<u>1,952,717</u>	<u>-</u>	<u>1,952,717</u>
<u>NET ASSETS</u>			
Without donor restrictions	7,104,037		7,104,037
With donor restrictions		\$ 988,791	988,791
Total Net Assets	<u>7,104,037</u>	<u>988,791</u>	<u>8,092,828</u>
Total Liabilities and Net Assets	<u>\$ 9,056,754</u>	<u>\$ 988,791</u>	<u>\$ 10,045,545</u>

See Accompanying Notes and Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.

Statement of Activity
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTED</u>
REVENUE AND SUPPORT			
Contract Services	\$ 7,276,083	\$ 6,768,646	\$ 507,437
Client Fees	2,793,156	2,793,156	
Sales	344,004	344,004	
Rental Income	92,555	92,555	
Contributions	193,822	161,094	32,728
Interest Income	39,143	39,143	
Fundraising Income	9,480	9,480	
Other Support	113,228	113,228	
SUB-TOTAL REVENUES AND SUPPORT	10,861,471	10,321,306	540,165
Net Assets Released From Restrictions	-	32,728	(32,728)
TOTAL REVENUE AND OTHER SUPPORT	10,861,471	10,354,034	507,437
EXPENSES			
General Services	2,168,940	2,168,940	
Sub-Contract Services	4,453,654	4,453,654	
Direct Contract Services	2,238,242	2,238,242	
Management and General	1,062,863	1,062,863	
TOTAL EXPENSES	9,923,699	9,923,699	-
INCREASE IN NET ASSETS	<u>\$ 937,772</u>	<u>\$ 430,335</u>	<u>\$ 507,437</u>

See Accompanying Notes And Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Functional Expenses
For the Year Ended June 30, 2024

	Program Services				Supporting Services	Total
	General Services	Sub-contract Services	Direct Contracted Services		Management and General	
			Federal	Other		
PERSONNEL EXPENSES:						
Salaries	\$ 467,828	\$ 1,642,575	\$ 483,130	\$ 982,988	\$ 54,770	\$ 3,631,291
Payroll Taxes	42,018	141,586	37,029	82,139	18,351	321,123
Health Insurance	8,797	68,547	18,165	2,022	759	98,290
Retirement Plans	5,318	260,428	69,929	58,286	6,292	400,253
Other Employee's Benefits	8,840	69,576	17,155	36,384	1,244	133,199
Total Personnel Expenses	532,801	2,182,712	625,408	1,161,819	81,416	4,584,156
OPERATING EXPENSES:						
Bad Debt Expenses			53,155		2,450	55,605
Bank Charges	5,201	1,821	60		750	7,832
Communications	(28)	25,777	1,502	4,323	94	31,668
Conferences and Workshops		9,560		2,919	16,720	29,199
Depreciation	9,449	40,235			131,313	180,997
Direct Client Assistance		1,787,735		14,630		1,802,365
Donations	775				787,466	788,241
Dues and Subscription					2,962	2,962
Insurance	4,347	7,416	3,058	6,307	10,170	31,298
Interest Expense					51,805	51,805
Interpretation Services	1,450,061	102,894	37,201	57,921		1,648,077
Mileage	138	35,106	6,911	28,668		70,823
Other Expenses	9,884	6,821	5,453	203	8,322	30,683
Postage	9,428		589	74		10,091
Printing	(114)	1,519	525	3,968	1,879	7,777
Professional Fees - Legal					3,000	3,000
Professional Fees - Other	(3,816)	(6,649)	1,712	3,272	48,135	42,654
Rental Expenses					5,177	5,177
Repairs & Maintenance	6,466	2,782	5,943	11,987	19,150	46,328
Space Costs	103,114	43,835	52,844	29,111	(192,033)	36,871
Supplies	2,211	82,732	9,869	32,784	97	127,693
Taxes, Licenses and Permits	3,098			510	18,715	22,323
Taxes, Real Property					26,773	26,773
Transportation Expense	10,997	109,351	23,545	30,753	126	174,772
Travel		5,039	3,211	3,344	32,751	44,345
Utilities	24,928	14,968	8,683	5,980	5,625	60,184
Total Operating Expenses	1,636,139	2,270,942	214,261	236,754	981,447	5,339,543
TOTAL PROGRAM EXPENSES	\$ 2,168,940	\$ 4,453,654	\$ 839,669	\$ 1,398,573	\$ 1,062,863	\$ 9,923,699

See Accompanying Notes and Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Statement of Change in Net Assets
June 30, 2024

	<u>TOTAL</u>	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTED</u>
NET ASSETS, June 30, 2023	\$ 7,155,056	\$6,673,702	\$481,354
Plus:			
Increase in Net Assets	<u>937,772</u>	<u>430,335</u>	<u>507,437</u>
NET ASSETS, June 30, 2024	<u><u>\$ 8,092,828</u></u>	<u><u>\$ 7,104,037</u></u>	<u><u>\$ 988,791</u></u>

See Accompanying Notes and Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Statement of Cash Flows
June 30, 2024

Cash Flow From Operating Activities:

Increase in Net Assets \$ 937,772

Adjustments to reconcile change in net assets to net cash
provided by operating activities:

Depreciation	180,977
Amortization of loan costs	3,757
Decrease in grants and contracts receivable	30,376
Decrease in other receivables	12,302
Decrease in prepaid expenses	155,231
Increase in allowance for doubtful account - MED	53,155
Decrease in deposits	6,531
Decrease in accounts payable and accrued expenses	(22,172)
Increase in account payable - Homeland Security	6,232
Decrease in unearned revenue	(78,585)
Increase in accrued vacation	25,482
Non-cash contributions received	(7,000)
Non-cash donations granted	<u>86,111</u>

Total adjustments 452,397

Net cash flow provided by operating activities 1,390,169

Cash Flow From Financing Activities

Proceeds from excess federal funds drawn	354,061
Principal payments on Lease payable	(6,461)
Principal payments on loans payable	<u>(33,652)</u>

Net cash provided by financing activities 313,948

Cash Flow From Investing Activities

Advances to AHC	(6,995)
Promissory notes granted (Net)	(80,157)
Investment in property and equipment	(231,067)
Investment in construction in process	<u>(8,604)</u>

Net cash consumed by investing activities (326,823)

Net increase in cash 1,377,294

Cash and cash equivalents at June 30, 2023 2,213,728

Cash and cash equivalents at June 30, 2024 \$ 3,591,022

SUPPLEMENTAL DISCLOSURE:

1. During the year, the agency paid a total of \$48,905 in interest.

See Accompanying Notes and Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1: NATURE OF BUSINESS

Alliance for African Assistance, Inc. (AAA) is a private non-profit corporation. The corporation is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and similar California State law. AAA's primary mission is to provide aid to refugees and welfare recipients in the San Diego, California, area. The organizations services encompass daily living assistance, education support, job training and placement, and community outreach services. AAA is supported primarily by various governmental grants, subcontracting with other nonprofits, and interpretation/translation services.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Depreciation

Land, buildings and equipment are reported in the statement of financial position at cost, if purchased, and at estimated fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$1,000 or more and a useful life, when acquired, of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows (See note 4):

Buildings and improvements	10-40 years
Leasehold improvements	15 years, or remaining lease Term, if shorter
Furniture and Equipment	3-10 years
Equipment used under capital Leases	5-7 years
Vehicles	5-10 years

B. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

C. Contributed Services

AAA receives a substantial number of donated services in carrying out its objectives. No amounts have been reflected in the financial statements for those services because the criteria for recognition were not met.

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

D. Accounting Method

The accompanying financial statements have been prepared using the accrual method of accounting, which reflects revenues and expenditures in the accounts in the period in which they are considered earned and incurred. Donations and pledges are recognized when the donor or grantor makes an unconditional promise to give to the organization. The significant accounting and reporting policies followed are described below to enhance the usefulness of the financial statements to the reader:

Functional Allocation of Expenses – the costs of providing program services and the general administrative activities of AAA have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fund Accounting – AAA receives a significant portion of its revenue in the form of restricted contracts and grants for program operations. To ensure observance of limitations and restrictions placed on the use of resources available to AAA, accounts are maintained in accordance with the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund.

General and Management Fund – this fund is used to account for all resources over which the governing board has discretionary control to use in carrying on the general operations of the organization. Contributions and activities for general purposes are all accounted for in this fund.

E. Display of Net Assets by Class

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Without Donor Restrictions (General and Administrative Fund) – This fund is used to account for all resources over which the governing board has discretionary control to use in carrying on the general operations of the organization. Contributions and activities for general purposes are all accounted for in this fund.

With Donor Restrictions – This fund represents resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use.

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

NOTE 3: RENTAL INCOME

AAA owns a 12,050 square-foot commercial building and an accompanying 1,278 square-foot house. The commercial building houses the administrative offices of the agency as well as the office of many of the programs it administers. The house is rented to an unrelated party to supplement the income of the agency. Rental income for the house amounted to \$34,955, during the current period.

Additionally, the agency rents out space for weekly meetings to an unrelated party. Meeting space rental income totaled \$9,600.

AAA also charged unrelated parties \$48,000 to store equipment on the premises during the year ended June 30, 2024.

NOTE 4: PROPERTY AND EQUIPMENT

Following is a summary of property and equipment at June 30, 2024:

Land	\$ 662,956
Building and Improvement	3,979,361
Construction in Process	30,844
Furniture and Equipment	173,028
Automobiles	<u>521,328</u>
 Total Property and Equipment	 5,367,517
Accumulated Depreciation	<u>(1,120,984)</u>
 Net Property and Equipment	 <u>\$4,246,533</u>

During the year, AAA expensed \$180,997 in depreciation expense.

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking accounts, demand deposits, interest-bearing time deposits, money market accounts and certificates of deposits with maturity dates up to 180 days. Cash and cash equivalents at June 30, 2024, includes \$257,830 in money market accounts.

NOTE 6: RECEIVABLES

Grants and contracts receivable (before the \$2,000 allowance for doubtful accounts) consist of the following:

San Diego Hunger Coalition	\$ 30,865
State of California	286,581
Sweetwater Union High School District	6,317
Haines Solar Cooker, LLC	3,981
Oceanside Unified	3,459
SDCOE	4,968
Community Health Group	125,490
ECDC	980,408
Self Help for the Elderly	33,473
St. Paul's – PACE	45,886
Cajon Valley Union	7,473
UPAC	19,689
San Diego Unified School District	36,894
CDBG – Micro Enterprise	42,073
The Preuss School	5,916
Planned Parenthood	7,457
UCSD Medical Center	19,620
Lemon Grove School	12,292
Other	<u>83,885</u>
Total	<u>\$1,756,727</u>

NOTE 7: LINES-OF-CREDIT

At June 30, 2024, the agency had available the following lines-of-credit:

Wells Fargo Bank has granted the agency a \$150,000 operating line-of-credit. The agreement is a variable rate monthly interest payment plan at prime plus 1.75% with a current annual interest rate of 10.25%. The account is renewable annually. At June 30, 2024, the credit-line was not being utilized.

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8: RELATED PARTY TRANSCATIONS

AAA provides space for medical facilities to Alliance Health Clinic, Inc., a related organization. The estimated value of the space is \$36,000, annually. AAA has elected to waive charging for the space costs until the financial condition of the clinic improves.

NOTE 9: CONTINGENCIES

Financial awards from governmental entities in the form of grants are subject to audit. Such audits could result in claims against AAA for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such an audit since the amount, if any, cannot be determined at this date.

NOTE 10: MORTGAGE PAYABLE

At June 30, 2024, AAA had the following mortgage outstanding:

Note payable – First Republic Bank, Starting June 2, 2022, secured by deed of trust, with monthly Principal and interest payments of \$3,232, including interest at 3.75% per year. The loan has a maturity date of June 2, 2032. A final Balloon payment of approximately \$436,563 is due at Maturity.	\$590,620
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Note payable – First Republic Bank, Starting June 2, 2022, secured by deed of trust, due June 2, 2032, with monthly principal and interest payments of \$3,620, with interest at 3.75% per year. A final balloon payment of approximately \$491,803 is due at maturity.	<u>665,164</u>
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Total mortgage payable	1,255,784
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Less: unamortized debt issuance costs	<u>(29,746)</u>
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Total mortgage payable, net of unamortized debt issuance costs	<u>\$1,226,038</u>
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Following is a summary of mandatory long-term debt payments for each of the next five years:

2025	\$	35,864
2026		37,232
2027		38,653
2028		40,128
2029		41,659
Thereafter		<u>1,062,248</u>
Total		<u>\$ 1,255,784</u>

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11: ACCRUED VACATION

AAA accrues vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days. Employees are not reimbursed for unused sick leave.

The cost of accumulated vacation pays, which is to be paid from currently available resources, is recorded as an expenditure of the current period.

NOTE 12: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 7, 2025, the date on which the financial statements were available to be issued.

On January 20, 2025, President Trump issued executive orders pausing foreign aid programs. This will put a huge strain on the agency's resettlement and immigration related programs. The suspension of funding will inevitably affect short-term staffing. The long-term effects of the executive orders have not been determined.

NOTE 13: FACILITY LEASE

During the year, the agency leased two facilities, on a month-to-month basis. Under the agreement the company will pay \$5,800 - \$6,365 per month, including common area costs. Lease expenses on this facility totaled \$66,060 during the current period. The first location (131 Avocado Ave., El Cajon) is an office suite used for client meetings. The company currently pays \$205 per month, plus common area charges. Lease expenses on this location totaled \$2,464. The second location is an office suite (5875 El Cajon Blvd., San Diego) used to house the employees of new and temporary programs. Under the twelve-month (month-to-month) agreement, the agency pays \$2,250 per month plus a prorated portion of the cost of utilities. Lease expenses on this location totaled \$27,042.

NOTE 14: TAX UNCERTAINTIES

The agency's policy is to record interest expense and penalties in operating expenses. For the year ended June 30, 2024, \$795 in interest and penalty expenses were recorded.

The agency's federal and state tax returns are open for examination for the years 2021, 2022, and 2023.

AAA is receiving rent from two properties. The rentals generate unrelated business income which is subject to income taxes. During the period, the agency paid \$11,853 (federal) and \$5,515 (state) in unrelated business income taxes related to the 2022 tax period.

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15: RESTRICTED NET ASSETS

Net assets with donor restrictions at June 30, 2024, Consist of the following funding sources' restrictions:

Purpose restrictions, available for spending:	
CDBG – Microenterprise Technical Assistance	\$ 84,070
ECDC – Preferred Communities	153,666
State of California – AIRS	221,519
State of California – RHPP	206,116
San Diego Hunger Coalition	30,605
County of San Diego – FRS	36,635
California State Immigration Contract	<u>256,180</u>
 Total Restricted Net Assets	 <u><u>\$988,791</u></u>

NOTE 16: RETIREMENT PLANS

AAA sponsors a defined contribution plan. Participation in the plan is available to substantially all employees. The defined contribution plan is a 403(b) plan to which employees may contribute up to 16% of their pay. Employee contributions are invested, at the employees' direction, among a variety of investments. AAA has discretion to vary the rate of employer matching contributions. AAA currently matches the employee's contribution three to one. AAA contributions to the plan during the year ended June 30, 2024, were \$325,356.

AAA also has a Supplemental Executive Retirement Plan. These 401(a) plans provide select employees who satisfy certain eligibility requirements with certain benefits upon retirement. During the year ended June 30, 2024, AAA contributed \$44,633 to the plan.

AAA has an Executive Deferred Compensation plan. The 457(b) plan is an employer sponsored nonqualified plan that augments the agency's tax qualified retirement plans. Participation in this plan is limited to selected members of management. During the year, AAA expensed \$30,263 for this plan.

NOTE 17: CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject AAA to a concentration of credit risk consist principally of cash and cash equivalents.

AAA maintains cash balances with multiple financial institutions. Cash accounts are federally insured by the Federal Deposit Insurance Corporation, currently, up to \$250,000. At June 30, 2024, the agency had \$2,263,649 in excess of the insured limits.

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 18: ADOPTION OF ASC 842 LEASE ACCOUNTING

While AAA has elected to adopt the accounting standards of ASC 842, they currently have no leases that are required to comply with the new standards. The agency leases an office suite on a twelve-month (month-to-month) lease. At the commencement date, AAA was not reasonably certain that it would extend the lease. The extension of the lease will be based on the life of their temporary programs. This lease is viewed as an operating lease.

AAA believes the non-adoption of ASC 842 relative to the leases of their small equipment is not material. The two copiers will continue to be reflected under the old operating lease standards for the remainder of their leases. In the future, small equipment with a present lease value of \$20,000 or more, at their commencement date, will be recorded under the new standards.

NOTE 19: ADVERTISING

General advertising costs are expensed when incurred. Event advertising is expensed as of the date of the event.

NOTE 20: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects AAA's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Cash	\$ 3,591,022
Accounts Receivable	1,756,727
Other Receivable	<u>107,085</u>
Financial assets at year-end	5,454,834
Less those unavailable for general expenditures within one year, due to:	
Contractual restrictions	<u>(634,261)</u>
Financial assets available to meet cash needs for General expenditure within one year.	<u><u>4,820,573</u></u>

AAA's working capital and cash flows are constant and it usually pays for expenses on a regular basis. AAA maintains a line of credit of \$150,000 with Wells Fargo Bank which is available at all times. AAA's sister organization, Alliance Health Clinic (AHC) which is housed in the same building is another source of liquidity. Both organizations borrow from each other as need arises.

See Accompanying Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 21: CONTRIBUTED NONFINANCIAL ASSETS

For the year ending June 30, 2024, contributed nonfinancial assets recognized within the statement of activities consisted of (1) clothing and household items. AAA recognized these contributed nonfinancial assets within revenue (Thrift Store Sales). These contributed nonfinancial assets did not have any donor-imposed restrictions. A majority of the contributed goods were utilized by the agency's various resettlement programs. AAA arrived at the fair value of the clothing and household items on the basis of estimated sale prices of similar items at other local San Diego resale stores. And, (2) at the beginning of the current year, AAA received the donation of a vehicle. The fair market value was recognized as contribution income. There were no donor-imposed restrictions on the vehicle. AAA determined the fair market value of the vehicle based on Kelley Blue Book. The agency uses the vehicle for both program and administrative purposes.

See Accompanying Auditor's Report

**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**

INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors
Alliance for African Assistance, Inc.

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Alliance for African Assistance, Inc. (AAA) and the related statements of activity, changes in net assets, cash-flow, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise AAA's basic financial statements, and have issued my report thereon dated February 7, 2025.

Internal Controls over Financial Reporting

In planning and performing my audit of the financial statements, I considered AAA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AAA's internal controls. Accordingly, I do not express an opinion on the effectiveness of AAA'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.

My consideration of internal controls 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given

these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I noted a condition in their system that should be addressed, described in the accompanying schedule of findings and questioned costs as item 2024-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether AAA's financial statements are free of material misstatements, I 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance or other matters that are required to be reported under Government Auditing Standards. However, I discovered a compliance issue that should be addresses, which is described in the accompanying schedule of findings and question costs as item 2024-002.

AAA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on AAA's responses to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. AAA.s responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of the 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clifford R. Bern, CBA

Carson, California
February 7, 2025

SUPPLEMENTARY INFORMATION

REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Alliance for African Assistance, Inc.
San Diego, California

I have audited the financial statements of Alliance for African Assistance, Inc. as of and for the year ended June 30, 2024, and have issued my report dated February 7, 2025, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information 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 in these schedules have 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 generally accepted auditing standards used in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Clifford R. Benn, CPA

Carson, California
February 7, 2025

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Revenue and Other Support
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>General Services</u>	<u>Sub-contract Services</u>	<u>Direct Contracted Services</u>		<u>General Programs</u>
				<u>Federal</u>	<u>Other</u>	
REVENUE:						
Federal Contracts	\$ 928,481			\$ 928,481		
State Contracts	1,193,163				\$ 1,193,163	
County Contracts	50,477				50,477	
City Contracts	200,577				200,577	
Sub-contracts	4,903,385		\$ 4,903,385			
Client Fees	2,793,156	\$ 2,526,810			266,346	
Sales (Note 21)	344,004	343,447				\$ 557
Rental Income	92,555					92,555
Total Revenue	10,505,798	2,870,257	4,903,385	928,481	1,710,563	93,112
OTHER SUPPORT:						
Contributions - Unrestricted	161,094					161,094
Contributions - Restricted	32,728					32,728
Interest Income	39,143			8,888		30,255
Fundraising Income	9,480					9,480
Other Support	113,228	31,257	30,590		14,889	36,492
Total Other Support	355,673	31,257	30,590	8,888	14,889	270,049
TOTAL REVENUE AND OTHER SUPPORT	<u>\$ 10,861,471</u>	<u>\$ 2,901,514</u>	<u>\$ 4,933,975</u>	<u>\$ 937,369</u>	<u>\$ 1,725,452</u>	<u>\$ 363,161</u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Revenue and Other Support - General Services
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>Interpretation Services</u>	<u>Immigration Citizenship Services</u>	<u>Thrift Store</u>	<u>In-Home Care Services</u>
REVENUE:					
Federal Contracts	\$ -				
State Contracts	-				
County Contracts	-				
City Contracts	-				
Sub-contracts	-				
Client Fees	2,526,810	\$ 2,382,452	\$ 133,383		\$ 10,975
Sales (Note 21)	343,447			\$ 343,447	
Rental Income	-				
Total Revenue	2,870,257	2,382,452	133,383	343,447	10,975
OTHER SUPPORT:					
Contributions - Unrestricted	-				
Contributions - Restricted	-				
Interest Income	-				
Fundraising Income	-				
Other Support	31,257	16,928	812	11,266	2,251
Total Other Support	31,257	16,928	812	11,266	2,251
TOTAL REVENUE AND OTHER SUPPORT	<u><u>\$ 2,901,514</u></u>	<u><u>\$ 2,399,380</u></u>	<u><u>\$ 134,195</u></u>	<u><u>\$ 354,713</u></u>	<u><u>\$ 13,226</u></u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Revenue and Other Support - Sub-contracts
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>ECDC</u>	<u>Team and Changes</u>	<u>Cal-Fresh Program</u>
REVENUE:				
Federal Contracts	\$ -			
State Contracts	-			
County Contracts	-			
City Contracts	-			
Sub-contracts	4,903,385	\$ 4,738,369	\$ 105,565	\$ 59,451
Client Fees	-			
Sales (Note 21)	-			
Rental Income	-			
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue	4,903,385	4,738,369	105,565	59,451
OTHER SUPPORT:				
Contributions - Unrestricted	-			
Contributions - Restricted	-			
Interest Income	-			
Fundraising Income	-			
Other Support	30,590	25,845	938	3,807
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Support	30,590	25,845	938	3,807
TOTAL REVENUE AND OTHER SUPPORT	<u>\$ 4,933,975</u>	<u>\$ 4,764,214</u>	<u>\$ 106,503</u>	<u>\$ 63,258</u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Revenue and Other Support - Direct Contracted Services (Federal)
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>USCIS Program</u>	<u>RAISE Program</u>	<u>Ethnic Community Self Help</u>	<u>Employer Engagement Program</u>	<u>Ethnic Community Ukraine</u>
REVENUE:						
Federal Contracts	\$ 928,481	\$ 17,542	\$ 289,027	\$ 257,259	\$ 258,114	\$ 106,539
State Contracts	-					
County Contracts	-					
City Contracts	-					
Sub-contracts	-					
Client Fees	-					
Sales (Note 21)	-					
Rental Income	-					
Total Revenue	928,481	17,542	289,027	257,259	258,114	106,539
OTHER SUPPORT:						
Contributions - Unrestricted	-					
Contributions - Restricted	-					
Investment Income	-					
Interest Income	8,888		8,888			
Fundraising Income	-					
Other Support	-					
Total Other Support	8,888	-	8,888	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	<u>\$ 937,369</u>	<u>\$ 17,542</u>	<u>\$ 297,915</u>	<u>\$ 257,259</u>	<u>\$ 258,114</u>	<u>\$ 106,539</u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Revenue and Other Support - Direct Contracted Services (Other)
For the Year Ended June 30, 2024

	<u>San Diego</u>	<u>State of</u>	<u>State of</u>	<u>State of</u>	<u>Immigration</u>	<u>State of</u>	<u>Immigration</u>	<u>Legal Services</u>	<u>Haines</u>	<u>San Diego</u>	<u>California</u>
	<u>City</u>	<u>California</u>	<u>California</u>	<u>California</u>	<u>Immigration</u>	<u>California</u>	<u>Support Project</u>	<u>Support Project</u>	<u>Solar</u>	<u>County</u>	<u>Immigrant</u>
	<u>CDBG</u>	<u>RHPP</u>	<u>RHPP</u>	<u>Immigration</u>	<u>AIRS</u>	<u>AIRS</u>	<u>Support Project</u>	<u>Support Project</u>	<u>Cooker</u>	<u>FRS</u>	<u>Policy</u>
REVENUE:											
Federal Contracts											
State Contracts	\$ -										
County Contracts	1,193,163	\$ 167,974	\$ 120,900	\$ 904,289						\$ 50,477	
City Contracts	50,477										
Sub-contracts	200,577										
Client Fees	\$ 200,577										
Sales (Note 21)	-								\$ 187,842	\$ 56,504	\$ 22,000
Rental Income	266,346										
	-										
	-										
Total Revenue	1,710,563	167,974	120,900	904,289			187,842	187,842	56,504	50,477	22,000
OTHER SUPPORT:											
Contributions - Unrestricted											
Contributions - Restricted	-										
Investment Income	-										
Interest Income	-										
Fundraising Income	-										
Other Support	14,889			5,657							
	14,889			5,657							
Total Other Support	9,232	-		5,657	-		-	-	-	-	-
TOTAL REVENUE AND											
OTHER SUPPORT	\$ 1,725,452	\$ 167,974	\$ 126,557	\$ 904,289			\$ 187,842	\$ 187,842	\$ 56,504	\$ 50,477	\$ 22,000

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Revenue and Other Support - General Programs
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>Scholarship Program</u>	<u>World Refugee Day Fundraiser</u>	<u>General and Administration</u>
REVENUE:				
Federal Contracts	\$ -			
State Contracts	-			
County Contracts	-			
City Contracts	-			
Sub-contracts	-			
Client Fees	-			
Sales (Note 21)	557			\$ 557
Rental Income	92,555			92,555
Total Revenue	93,112	-	-	93,112
OTHER SUPPORT:				
Contributions - Unrestricted	161,094			161,094
Contributions - Restricted	22,729	\$ 22,729		
Interest Income	30,256			30,256
Fundraising Income	9,480		\$ 9,480	
Other Support	36,491			36,491
Total Other Support	260,050	22,729	9,480	227,841
TOTAL REVENUE AND OTHER SUPPORT				
	<u>\$ 353,162</u>	<u>\$ 22,729</u>	<u>\$ 9,480</u>	<u>\$ 320,953</u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Revenue and Other Support - ECDC Programs
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>Resettlement & Placement</u>	<u>PC REA</u>	<u>PC ICM</u>	<u>PC AmeriCorps</u>	<u>PC APA</u>	<u>PC UHP</u>	<u>PC ASA</u>	<u>Matching Grant</u>
REVENUE:									
Federal Contracts	\$ -								
State Contracts	-								
County Contracts	-								
City Contracts	-								
Sub-contracts	4,738,369	\$ 2,386,752	\$ 78,891	\$ 73,322	\$ 182,738	\$ 219,921	\$ 481,878	\$ 572,246	\$ 742,621
Client Fees	-								
Sales (Note 21)	-								
Rental Income	-								
Total Revenue	4,738,369	2,386,752	78,891	73,322	182,738	219,921	481,878	572,246	742,621
OTHER SUPPORT:									
Contributions - Unrestricted	-								
Contributions - Restricted	-								
Interest Income	-								
Fundraising Income	-								
Other Support	25,845	19,770			6,075				
Total Other Support	25,845	19,770	-	-	6,075	-	-	-	-
TOTAL REVENUE AND OTHER SUPPORT	\$ 4,764,214	\$ 2,406,522	\$ 78,891	\$ 73,322	\$ 188,813	\$ 219,921	\$ 481,878	\$ 572,246	\$ 742,621

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Functional Expenses - General Services
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>Interpretation Services</u>	<u>Immigration Citizenship Services</u>	<u>Thrift Store</u>	<u>In-Home Care Services</u>
PERSONNEL EXPENSES:					
Salaries	\$ 467,828	\$ 213,515	\$ 32,990	\$ 207,477	\$ 13,846
Payroll Taxes	42,018	17,203	2,496	20,804	1,515
Health Insurance	8,797	7,218	1,579		
Retirement Plans	5,318	2,228	3,090		
Other Employee's Benefits	8,840	4,481	890	3,469	
Total Personnel Expenses	<u>532,801</u>	<u>244,645</u>	<u>41,045</u>	<u>231,750</u>	<u>15,361</u>
OPERATING EXPENSES:					
Bad Debt Expenses	-				
Bank Charges	5,201	1,013	3,810	378	
Communications	(28)			(28)	
Conferences and Workshops	-				
Depreciation	9,449			9,449	
Direct Client Assistance	-				
Donations	775	775			
Dues and Subscription	-				
Insurance	4,347	321		574	3,452
Interest Expense	-				
Interpretation Services	1,450,061	1,450,061			
Mileage	138	117		21	
Other Expenses	9,884	59	9,456	369	
Postage	9,428		9,428		
Printing	(114)		109	(223)	
Professional Fees - Legal	-				
Professional Fees - Other	(3,816)	(3,636)	(33)	(147)	
Rental Expenses	-				
Repairs & Maintenance	6,466			6,466	
Space Costs	103,114	17,169	561	85,223	161
Supplies	2,211	2,211			
Taxes, Licenses and Permits	3,098			262	2,836
Taxes, Real Property	-				
Transportation Expense	10,997	(582)	2,262	9,317	
Travel	-				
Utilities	24,928	1,343	3,050	20,535	
Total Operating Expenses	<u>1,636,139</u>	<u>1,468,851</u>	<u>28,643</u>	<u>132,196</u>	<u>6,449</u>
TOTAL PROGRAM EXPENSES	<u><u>\$ 2,168,940</u></u>	<u><u>\$ 1,713,496</u></u>	<u><u>\$ 69,688</u></u>	<u><u>\$ 363,946</u></u>	<u><u>\$ 21,810</u></u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Functional Expenses - Sub-contract Services
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>ECDC Programs</u>	<u>Team and Changes</u>	<u>Cal-Fresh Program</u>
PERSONNEL EXPENSES:				
Salaries	\$ 1,642,575	\$ 1,589,992	\$ 9,210	\$ 43,373
Payroll Taxes	141,586	136,941	517	4,128
Health Insurance	68,547	68,547		
Retirement Plans	260,428	260,428		
Other Employee's Benefits	69,576	70,255	351	(1,030)
Total Personnel Expenses	<u>2,182,712</u>	<u>2,126,163</u>	<u>10,078</u>	<u>46,471</u>
OPERATING EXPENSES:				
Bad Debt Expenses	-			
Bank Charges	1,821	1,821		
Communications	25,777	25,777		
Conferences and Workshops	9,560	9,490		70
Depreciation	40,235	40,235		
Direct Client Assistance	1,787,735	1,787,735		
Donations	-			
Dues and Subscription	-			
Insurance	7,416	6,559	121	736
Interest Expense	-			
Interpretation Services	102,894	102,894		
Mileage	35,106	35,106		
Other Expenses	6,821	6,821		
Postage	-			
Printing	1,519	1,519		
Professional Fees - Legal	-			
Professional Fees - Other	(6,649)	(6,494)		(155)
Rental Expenses	-			
Repairs & Maintenance	2,782	2,782		
Space Costs	43,835	43,194	361	280
Supplies	82,732	82,732		
Taxes, Licenses and Permits	-			
Taxes, Real Property	-			
Transportation Expense	109,351	109,118	22	211
Travel	5,039	5,039		
Utilities	14,968	14,968		
Total Operating Expenses	<u>2,270,942</u>	<u>2,269,296</u>	<u>504</u>	<u>1,142</u>
TOTAL PROGRAM EXPENSES	<u><u>\$ 4,453,654</u></u>	<u><u>\$ 4,395,459</u></u>	<u><u>\$ 10,582</u></u>	<u><u>\$ 47,613</u></u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Functional Expenses - Direct Contract Services (Federal)
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>USCIS Program</u>	<u>RAISE Program</u>	<u>Ethnic Community Self Help</u>	<u>Employer Engagement Program</u>	<u>Ethnic Community Ukraine</u>
PERSONNEL EXPENSES:						
Salaries	\$ 483,130		\$ 113,694	\$ 133,462	\$ 177,261	\$ 58,713
Payroll Taxes	37,029		7,527	8,954	15,349	5,199
Health Insurance	18,165		407	9,181	7,964	613
Retirement Plans	69,929		17,986	18,512	18,720	14,711
Other Employee's Benefits	17,155		1,510	3,931	7,872	3,842
Total Personnel Expenses	<u>625,408</u>	<u>-</u>	<u>141,124</u>	<u>174,040</u>	<u>227,166</u>	<u>83,078</u>
OPERATING EXPENSES:						
Bad Debt Expenses	53,155		53,155			
Bank Charges	60		60			
Communications	1,502		477	402	623	
Conferences and Workshops	-					
Depreciation	-					
Direct Client Assistance	-					
Donations	-					
Dues and Subscription	-					
Insurance	3,058		988	752	752	566
Interest Expense	-					
Interpretation Services	37,201		3,041	31,172	2,717	271
Mileage	6,911			420	6,491	
Other Expenses	5,453		5,453			
Postage	589			589		
Printing	525		43	265		217
Professional Fees - Legal	-					
Professional Fees - Other	1,712				(94)	1,806
Rental Expenses	-					
Repairs & Maintenance	5,943		323	1,397	2,002	2,221
Space Costs	52,844		8,595	32,922	9,071	2,256
Supplies	9,869		1,759	2,345	2,838	2,927
Taxes, Licenses and Permits	-					
Taxes, Real Property	-					
Transportation Expense	23,545		2,067	6,892	5,838	8,748
Travel	3,211			1,538		1,673
Utilities	8,683		672	4,525	710	2,776
Total Operating Expenses	<u>214,261</u>	<u>-</u>	<u>76,633</u>	<u>83,219</u>	<u>30,948</u>	<u>23,461</u>
TOTAL PROGRAM EXPENSES	<u><u>\$ 839,669</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 217,757</u></u>	<u><u>\$ 257,259</u></u>	<u><u>\$ 258,114</u></u>	<u><u>\$ 106,539</u></u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Functional Expenses - Direct Contract Services (Other)
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>San Diego City</u> <u>CDBG</u>	<u>State of California</u> <u>RHPP</u>	<u>State of California</u> <u>Immigration</u>	<u>State of California</u> <u>AIERS</u>	<u>San Diego County</u> <u>FRS</u>	<u>Haines Solar</u> <u>Cooker</u>	<u>Immigration Legal Services</u> <u>Support Project</u>	<u>California Immigrant</u> <u>Policy</u>
PERSONNEL EXPENSES:									
Salaries	\$ 982,988	\$ 118,281	\$ 54,299	\$ 19,755	\$ 571,374	\$ 12,360	\$ 38,275	\$ 149,124	\$ 19,520
Payroll Taxes	82,139	8,316	4,550	1,711	48,353	1,407	3,697	12,359	1,746
Health Insurance	2,022		1,171		789			62	
Retirement Plans	58,286		14,821		26,620			16,845	
Other Employee's Benefits	36,384	6,324	3,157	572	19,734	(1,300)	1,764	4,232	1,901
Total Personnel Expenses	1,161,819	132,921	77,998	22,038	666,870	12,467	43,736	182,622	23,167
OPERATING EXPENSES:									
Bad Debt Expenses	-								
Bank Charges	-								
Communications	4,323	969	274		3,080				
Conferences and Workshops	2,919							2,919	
Depreciation	-								
Direct Client Assistance	14,630					14,630			
Donations	-								
Dues and Subscription	-								
Insurance	6,307	1,009	805	588	1,348	309	465	1,428	355
Interest Expense	-								
Interpretation Services	57,921		5,345		12,741	19,595		10,567	
Mileage	28,668	9,673			28,451	217			
Other Expenses	203							203	
Postage	74							74	
Printing	3,968	2,534			1,060			374	
Professional Fees - Legal	-								
Professional Fees - Other	3,272	2,769						503	
Rental Expenses	-								
Repairs & Maintenance	11,987	9,043	240		516			2,188	
Space Costs	29,111	842	1,343	561	16,778	2,820	5,157	1,450	160
Supplies	32,784	8,194	1,313		17,467			5,810	
Taxes, Licenses and Permits	510							510	
Taxes, Real Property	-								
Transportation Expense	30,753	370	6,001		7,809	13,500		3,073	
Travel	3,344							3,344	
Utilities	5,980		578		2,734	1,662	150	856	
Total Operating Expenses	236,754	35,403	15,899	1,149	91,984	52,733	5,772	33,299	515
TOTAL PROGRAM EXPENSES	<u>1,398,573</u>	<u>\$ 168,324</u>	<u>\$ 93,897</u>	<u>\$ 23,187</u>	<u>\$ 758,854</u>	<u>\$ 65,200</u>	<u>\$ 49,508</u>	<u>\$ 215,921</u>	<u>\$ 23,682</u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Functional Expenses - Management and General
For the Year Ended June 30, 2024

	<u>TOTAL</u>	<u>Scholarship Program</u>	<u>World Refugee Day Fundraiser</u>	<u>General and Administration</u>
PERSONNEL EXPENSES:				
Salaries	\$ 54,770	\$ 45,508		\$ 9,262
Payroll Taxes	18,351	3,839		14,512
Health Insurance	759			759
Retirement Plans	6,292			6,292
Other Employee's Benefits	1,244	(157)		1,401
	<u>81,416</u>	<u>49,190</u>	<u>-</u>	<u>32,226</u>
Total Personnel Expenses				
OPERATING EXPENSES:				
Bad Debt Expense	2,450			2,450
Bank Charges	750			750
Communications	94			94
Conferences and Workshops	16,720			16,720
Depreciation	131,313			131,313
Direct Client Assistance	-			
Donations	787,466	6,000		781,466
Dues and Subscription	2,962			2,962
Insurance	10,170			10,170
Interest Expense	51,805			51,805
Interpretation Services	-			
Mileage	-			
Other Expenses	8,322		5,821	2,501
Postage	-			
Printing	1,879			1,879
Professional Fees - Legal	3,000			3,000
Professional Fees - Other	48,135			48,135
Rental Expenses	5,177			5,177
Repairs & Maintenance	19,150			19,150
Space Costs	(192,033)			(192,033)
Supplies	97		1,055	(958)
Taxes, Licenses and Permits	18,715			18,715
Taxes, Real Property	26,773			26,773
Transportation Expense	126			126
Travel	32,751			32,751
Utilities	5,625		300	5,325
	<u>981,447</u>	<u>6,000</u>	<u>7,176</u>	<u>968,271</u>
Total Operating Expenses				
TOTAL PROGRAM EXPENSES	<u><u>\$ 1,062,863</u></u>	<u><u>\$ 55,190</u></u>	<u><u>\$ 7,176</u></u>	<u><u>\$ 1,000,497</u></u>

See Auditor's Report On Supplementary Information

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Functional Expenses - ECDC Programs
For the Year Ended June 30, 2024

	TOTAL	Resettlement & Placement	PC REA	PC ICM	PC AmeriCorps	PC APA	PC UHP	PC ASA	Matching Grant
PERSONNEL EXPENSES:									
Salaries	\$ 1,589,992	\$ 581,988	\$ 92,329		\$ 105,070	\$ 68,613	\$ 182,542	\$ 276,419	\$ 283,031
Payroll Taxes	136,941	52,103	8,171		9,555	5,988	15,579	22,733	22,812
Health Insurance	68,547	13,603	2,639		3,447	4,592	11,928	18,233	14,105
Retirement Plans	260,428	48,774	13,331		9,195	23,549	64,459	70,206	30,914
Other Employee's Benefits	70,255	8,930	7,230		1,433	4,639	18,764	22,829	6,430
Total Personnel Expenses	2,126,163	705,398	123,700	-	128,700	107,381	293,272	410,420	357,292
OPERATING EXPENSES:									
Bad Debt Expenses	-								
Bank Charges	1,821	1,174				647			
Communications	25,777	2,002	531		703	3,923	2,178	12,258	4,182
Conferences and Workshops	9,490	9,090						400	
Depreciation	40,235	25,012					7,612	7,611	
Direct Client Assistance	1,787,735	1,330,459			4,294		52,658	104,112	296,212
Donations	-								
Dues and Subscription	-								
Insurance	6,559	953	667		805	718	891	1,025	1,500
Interest Expense	-								
Interpretation Services	102,894	95,066			882			3,877	3,069
Mileage	35,106	15,602	1,009		354	1,869	1,919	6,792	7,561
Other Expenses	6,821	672	497		959	638	1,907	1,650	498
Postage	-								
Printing	1,519		131				874	514	
Professional Fees - Legal	-								
Professional Fees - Other	(6,494)	(7,244)			(373)	5,500	2,378	(3,652)	(3,103)
Rental Expenses	-								
Repairs & Maintenance	2,782	1,337	58				750	637	
Space Costs	43,194	12,804	1,514		1,954	1,946	4,722	6,733	13,521
Supplies	82,732	14,750	1,870		26	17,251	18,103	28,289	2,443
Taxes, Licenses and Permits	-								
Taxes, Real Property	-								
Transportation Expense	109,118	12,743	1,865		1,225	11,968	37,186	38,233	5,898
Travel	5,039	2,839						2,200	
Utilities	14,968	4,163			4,163				6,642
Total Operating Expenses	2,269,296	1,521,422	8,142	-	14,992	44,460	131,178	210,679	338,423
TOTAL PROGRAM EXPENSES	\$ 4,395,459	\$ 2,226,820	\$ 131,842	\$ -	\$ 143,692	\$ 151,841	\$ 424,450	\$ 621,099	\$ 695,715

See Auditor's Report On Supplementary Information

COMPLIANCE INFORMATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Boards of Directors
Alliance for African Assistance, Inc.
San Diego, California

Report on Compliance for Each Major Federal Program

Opinion on each Major Federal Program

I have audited Alliance for African Assistance, Inc.'s (AAA) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of AAA's major federal program for the year ended June 30, 2024. AAA's major federal programs are identified in the summary of auditor's result section of the accompanying schedule of findings and questioned costs.

In my opinion, AAA complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of AAA and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of AAA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules, and provisions of contract grant agreements applicable to AAA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on AAA's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about AAA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding AAA's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of AAA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of AAA's internal control over compliance. Accordingly, no such opinion is expressed.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies

and material weaknesses in internal control over compliance that I identified during the audit.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item number 2024-003. My opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on AAA's response to the noncompliance finding identified in my compliance audit described in the accompanying schedule of findings and questioned costs. AAA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Controls 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.

My consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on AAA's response to the internal control over compliance findings identified in my audit

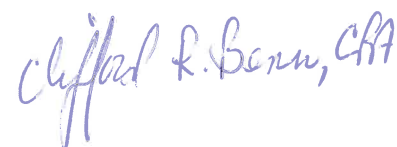
described in the accompanying schedule of findings and questioned costs. AAA's response was not subjected to the other auditing procedures applied in the audit of the compliance and, accordingly, I express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

I have audited the financial statements of AAA as of and for the year ended June 30, 2024, and have issued my report thereon dated February 7, 2025, which contained an unmodified opinion on those financial statements.

My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purpose of additional analysis as required by the Uniform Guidance 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 generally accepted auditing standards used in the United States of America. In my opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in blue ink that reads "Clifford R. Benn, CPA". The signature is written in a cursive, flowing style.

Carson, California
February 7, 2025

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

FEDERAL GRANTOR/PASS-THROUGH GRANTOR'S PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
MAJOR PROGRAMS			
Department of Health and Human Services, Administration for Children and Families, Refugee and Entrant Assistance - Discretionary Grants, Refugee Educational and Savings Success Program	93.576	90RE0336 90RG0208 90ZN0005 90RE0305	\$ 106,539 290,586 258,114 229,731
Passed through Ethiopian Community Development Council, Inc.	93.576	90RP0118	<u>1,466,849</u>
Program Sub-total			2,245,280
Department of Health and Human Services, Administration for Children and Families, Refugee and Entrant Assistance - Discretionary Grants, passed through Ethiopian Community Development Council, Inc.	93.567	2301VARVMG	695,715
U.S. Department of State, Bureau of Population, Refugees and Migrations, U.S. Refugee Admissions Program, passed through Ethiopian Community Development Council, Inc.	19.510	SPRMC023CA0359	<u>2,207,049</u>
Total Major Programs			<u>5,148,044</u>
NON-MAJOR PROGRAMS			
Department of Housing and Urban Development, Community Development Block Grants/ Entitlement Grants, passed through the City of San Diego	14.218	CED-FY22-008-01	159,092
Department of Health and Human Services, Administration for Children and Families, Refugee and Entrant Assistance State/ Replacement Designee Administered Program			
Passed through State of California, Department of Public Health, Office of Refugee Health	93.566	21-10855	93,897
Department of Agriculture, Office of Food and Nutrition Service, State Administrative Matching Grants for the Supplemental Nutrition Assistance Program, passed through San Diego Hunger Coalition	10.561	21-7024	<u>43,806</u>
TOTAL ALL PROGRAMS			<u>\$ 5,444,839</u>

See Accompanying Notes and Auditor's Report

ALLIANCE FOR AFRICAN ASSISTANCE, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTES:

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of Alliance for African Assistance under programs of the federal government for the year ended June 30, 2024. The information in this schedule of expenditures of federal awards is presented in accordance with the requirements of the Uniform Guidance for Federal Awards. Because the schedule presents only a selected portion of the operations of Alliance for African Assistance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Alliance for African Assistance.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditure of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

INDIRECT COSTS

Alliance for African Assistance has elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance for Federal Awards.