



AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

AYUDA, INC.

CONTENTS

	PAGE NO.
I. Financial Section	
Financial Statements, for the Year Ended September 30, 2022, with Summarized Financial Information for 2021, Including the Schedule of Expenditures of Federal Awards and Schedule of Findings and Questioned Costs	I-(1 - 21)
II. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	II-(1 - 2)
III. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	III-(1 - 3)

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED SEPTEMBER 30, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021**

AYUDA, INC.

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	I-(3 - 5)
EXHIBIT A - Statement of Financial Position, as of September 30, 2022, with Summarized Financial Information for 2021	I-6
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended September 30, 2022, with Summarized Financial Information for 2021	I-7
EXHIBIT C - Statement of Functional Expenses, for the Year Ended September 30, 2022, with Summarized Financial Information for 2021	I-8
EXHIBIT D - Statement of Cash Flows, for the Year Ended September 30, 2022, with Summarized Financial Information for 2021	I-9
NOTES TO FINANCIAL STATEMENTS	I-(10 - 17)
SUPPLEMENTAL INFORMATION	
SCHEDULE 1 - Schedule of Expenditures of Federal Awards, for the Year Ended September 30, 2022	I-(18 - 19)
SCHEDULE 2 - Schedule of Findings and Questioned Costs, for the Year Ended September 30, 2022	I-(20 - 21)



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ayuda, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Ayuda, Inc., which comprise the statement of financial position as of September 30, 2022, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ayuda, Inc. as of September 30, 2022, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ayuda, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Ayuda, Inc.'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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRF CPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks 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 Ayuda, Inc.'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ayuda, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Ayuda, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 26, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards on pages I-(18 - 19), as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, on our consideration of Ayuda, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Ayuda, Inc.'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 Ayuda, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

January 25, 2023

AYUDA, INC.

**STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,560,357	\$ 1,484,949
Investments	349,795	-
Grants receivable	1,791,708	1,535,841
Prepaid expenses	<u>145,321</u>	<u>131,684</u>
Total current assets	<u>3,847,181</u>	<u>3,152,474</u>
FIXED ASSETS		
Furniture, equipment and leasehold improvements	98,078	124,940
Less: Accumulated depreciation and amortization	<u>(77,465)</u>	<u>(89,990)</u>
Net fixed assets	<u>20,613</u>	<u>34,950</u>
OTHER ASSETS		
Deposits	<u>52,937</u>	<u>92,409</u>
TOTAL ASSETS	<u>\$ 3,920,731</u>	<u>\$ 3,279,833</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 188,074	\$ 287,286
Accrued salaries and other payroll liabilities	414,668	335,643
Deferred rent	16,452	7,706
Refundable advances	<u>234,547</u>	<u>141,235</u>
Total current liabilities	853,741	771,870
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	<u>162,918</u>	<u>98,416</u>
Total liabilities	<u>1,016,659</u>	<u>870,286</u>
NET ASSETS		
Without donor restrictions	2,186,866	1,642,944
With donor restrictions	<u>717,206</u>	<u>766,603</u>
Total net assets	<u>2,904,072</u>	<u>2,409,547</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,920,731</u>	<u>\$ 3,279,833</u>

AYUDA, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Foundation and state grants	\$ 2,751,282	\$ 1,335,869	\$ 4,087,151	\$ 3,167,399
Government grants	4,081,237	-	4,081,237	3,144,697
In-kind contributions	2,881,332	-	2,881,332	5,188,325
Contributions	664,689	-	664,689	341,497
Events	225,151	-	225,151	214,850
Indirect contributions	83,903	-	83,903	118,498
Program service fees	75,611	-	75,611	307,458
Investment loss, net	(50,204)	-	(50,204)	-
Net assets released from donor imposed restrictions	<u>1,385,266</u>	<u>(1,385,266)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>12,098,267</u>	<u>(49,397)</u>	<u>12,048,870</u>	<u>12,482,724</u>
EXPENSES				
Program Services	<u>10,000,398</u>	<u>-</u>	<u>10,000,398</u>	<u>11,335,819</u>
Supporting Services:				
General and Administrative	1,304,803	-	1,304,803	1,048,232
Fundraising	<u>249,144</u>	<u>-</u>	<u>249,144</u>	<u>314,109</u>
Total supporting services	<u>1,553,947</u>	<u>-</u>	<u>1,553,947</u>	<u>1,362,341</u>
Total expenses	<u>11,554,345</u>	<u>-</u>	<u>11,554,345</u>	<u>12,698,160</u>
Change in net assets before other item	543,922	(49,397)	494,525	(215,436)
OTHER ITEM				
Extinguishment of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>813,200</u>
Change in net assets	543,922	(49,397)	494,525	597,764
Net assets at beginning of year	<u>1,642,944</u>	<u>766,603</u>	<u>2,409,547</u>	<u>1,811,783</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,186,866</u>	<u>\$ 717,206</u>	<u>\$ 2,904,072</u>	<u>\$ 2,409,547</u>

AYUDA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	2022				2021	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	General and Administrative	Fundraising			
Salaries and related benefits and taxes	\$ 5,038,297	\$ 837,539	\$ 150,796	\$ 988,335	\$ 6,026,632	\$ 5,351,600
In-kind expenses	2,871,149	10,183	-	10,183	2,881,332	5,188,325
Professional fees	645,529	168,273	41,121	209,394	854,923	743,402
Occupancy	607,190	161,072	950	162,022	769,212	559,158
Emergency client support	549,170	3,993	5,124	9,117	558,287	493,700
Office supplies	51,807	33,148	9,050	42,198	94,005	112,904
Computers IT and small equipment	74,108	18,505	418	18,923	93,031	70,486
Licenses and fees	23,940	34,877	10,990	45,867	69,807	53,928
Insurance	38,281	12,348	905	13,253	51,534	49,554
Travel expenses	29,071	10,200	400	10,600	39,671	2,965
Bad debt expenses	38,323	-	-	-	38,323	-
Litigation	32,542	-	-	-	32,542	53,222
Catering and food	991	700	15,309	16,009	17,000	1,150
Event expenses	-	-	14,081	14,081	14,081	-
Depreciation and amortization	-	13,965	-	13,965	13,965	17,766
TOTAL	\$ 10,000,398	\$ 1,304,803	\$ 249,144	\$ 1,553,947	\$ 11,554,345	\$ 12,698,160

See accompanying notes to financial statements.

AYUDA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 494,525	\$ 597,764
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	13,965	17,766
Loss on disposal of fixed assets	372	-
Unrealized loss on investments	51,706	-
Extinguishment of debt	-	(813,200)
(Increase) decrease in:		
Grants receivable	(255,867)	(500,274)
Prepaid expenses	(13,637)	(24,711)
Deposits	39,472	(29,892)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(99,212)	96,419
Accrued salaries and other payroll liabilities	79,025	63,556
Deferred rent	73,248	(61,278)
Refundable advances	<u>93,312</u>	<u>70,102</u>
Net cash provided (used) by operating activities	<u>476,909</u>	<u>(583,748)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(12,018)
Purchase of investments	<u>(401,501)</u>	<u>-</u>
Net cash used by investing activities	<u>(401,501)</u>	<u>(12,018)</u>
Net increase (decrease) in cash and cash equivalents	75,408	(595,766)
Cash and cash equivalents at beginning of year	<u>1,484,949</u>	<u>2,080,715</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,560,357</u>	<u>\$ 1,484,949</u>

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Ayuda, Inc. is a not-for-profit organization, incorporated under the laws of the District of Columbia, providing legal, advocacy, empowerment and educational services that benefit low-income Latino and foreign-born families in the Washington, D.C. metropolitan area. These activities are funded primarily through foundation grants and public contributions.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Ayuda, Inc.'s financial statements for the year ended September 30, 2021, from which the summarized information was derived.

New accounting pronouncement adopted -

During the year ended September 30, 2022, Ayuda, Inc. adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

Cash and cash equivalents -

Ayuda, Inc. considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, and excluding money market funds held by investment managers in the amount of \$11,080 as of year ended September 30, 2022.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, Ayuda, Inc. maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment loss, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Grants receivable -

Grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Furniture, equipment and leasehold improvements are stated at cost. Furniture and equipment are depreciated on a straight-line basis over the estimated useful life of the related assets, generally five years. Leasehold improvements are amortized over the remaining life of the lease. Depreciation and amortization expense for the year ended September 30, 2022 totaled \$13,965. Ayuda, Inc. capitalizes all items over \$5,000. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes -

Ayuda, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. Ayuda, Inc. is not a private foundation.

Uncertain tax positions -

For the year ended September 30, 2022, Ayuda, Inc. has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Revenue and support -

Grants and contributions -

Ayuda, Inc. receives contributions, including unconditional promises to give, from many sources as well as grants from the U.S. Government, organizations and other entities.

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Revenue and support (continued) -

Grants and contributions (continued) -

Grants and contributions are recognized in the appropriate category of net assets in the period received. Ayuda, Inc. performs an analysis of the individual grant and contribution to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants and contributions qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional. Ayuda, Inc. recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances. As of September 30, 2022, Ayuda, Inc. had approximately \$2,000,000 in unrecognized conditional awards.

In-kind contributions -

Ayuda, Inc. receives donated services from attorneys, consultants, graduate students, and health care clinics. Donated services are recorded at their fair market value as of the date of the contribution. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Ayuda, Inc.. The total amount of donated services received for the year ended September 30, 2022 totaled \$2,881,332. There were no donor-imposed restrictions associated with the in-kind contributions during the year ended September 30, 2022.

Events and program service fees -

Events and program service fees revenue are classified as exchange transactions following ASU 2014-09, *Revenue from Contracts With Customers*, and revenue is recognized when the performance obligations are met. Ayuda, Inc. has elected to opt out of all (or certain) disclosures not required for nonpublic entities.

Ayuda, Inc. receives sponsorship income for events held throughout the year. This income is recognized when the associated event has occurred. Ayuda, Inc. receives client fees for legal services provided. Client fees are recognized as program service fees as the associated work is completed.

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Revenue and support (continued) -

Events and program service fees (continued) -

Transaction price is determined based on cost and/or sales price. Any amounts received in advance are recorded as deferred revenue within the Statement of Financial Position.

Use of estimates -

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

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of Ayuda, Inc. are reported as direct expenses to the programmatic area, and those expenses that benefit more than one function are allocated on the basis of estimated time and effort or other reasonable basis.

Investment risks and uncertainties -

Ayuda, Inc. invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

Ayuda, Inc. adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. Ayuda, Inc. accounts for a significant portion of their financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncement not yet adopted -

ASU 2019-01, *Leases* (Topic 842), changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)**

New accounting pronouncement not yet adopted (continued) -

Ayuda, Inc. plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, Ayuda, Inc. has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market Ayuda, Inc. has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended September 30, 2022. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.
- *Mutual funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by Ayuda, Inc. are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by Ayuda, Inc. are deemed to be actively traded.

The table below summarizes, by level within the fair value hierarchy, Ayuda, Inc.'s investments as of September 30, 2022.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Asset Class:				
Money market funds	\$ 11,080	\$ -	\$ -	\$ 11,080
Mutual funds:				
Fixed income mutual funds	135,402	-	-	135,402
Equity mutual funds	<u>203,313</u>	<u>-</u>	<u>-</u>	<u>203,313</u>
Total mutual funds	<u>338,715</u>	<u>-</u>	<u>-</u>	<u>338,715</u>
TOTAL	<u>\$ 349,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,795</u>

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

2. INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

Included in investment loss, net are the following:

Interest and dividends	\$ 2,851
Unrealized loss on investments	(51,706)
Investment expenses provided by external investment advisors	<u>(1,349)</u>
TOTAL INVESTMENT LOSS, NET	<u>\$ (50,204)</u>

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2022:

Program Services	\$ 579,287
General Support - Time Restricted	<u>137,919</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 717,206</u>

4. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor-imposed restrictions by incurring expenses or by the passage of time, which satisfied the restricted purposes specified by the donors:

Program Services	\$ 1,166,045
General Support - Passage of Time	<u>219,221</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 1,385,266</u>

5. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 1,560,357
Investments	349,795
Grants receivable	<u>1,791,708</u>
Subtotal financial assets available within one year	3,701,860
Less: Donor restricted funds	<u>(579,287)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 3,122,573</u>

Ayuda, Inc. has a policy to structure its financial assets to be available and liquid as its obligations become due.

6. LEASE COMMITMENTS

During 2017, Ayuda, Inc. entered into a five-year lease agreement, commencing April 2017, for office space in Washington, D.C. Base rent starts with monthly installments of \$3,448, plus its share of operating expenses, and increases by 4% each anniversary date. Ayuda, Inc. received two months of rent abatement at the beginning of the lease. The lease was not renewed.

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

6. LEASE COMMITMENTS (Continued)

During 2021, Ayuda, Inc. entered into a ten-year lease agreement, commencing February 2021, for office space in Washington, D.C. which replaced the lease above. As part of this new lease, the landlord agreed to pay Ayuda's outstanding lease obligation above through the end of that lease in May 2022. Rent under this ten-year lease agreement was abated for seven months. Base rent starts with monthly installments of \$29,892, plus its share of operating expenses, and increases by 4.5% each anniversary date.

During 2018, Ayuda, Inc. entered into a seven-year lease agreement, commencing May 2018, for office space in Fairfax, Virginia. Base rent starts with monthly installments of \$5,892, plus its share of operating expenses, and increases by 4% each anniversary date. Ayuda, Inc. received nine months of a 50% rent abatement at the beginning of the lease.

During 2019, Ayuda, Inc. entered into a 89-month lease agreement, commencing February 2019, for office space in Silver Spring, Maryland. Base rent starts with monthly installments of \$8,798, plus its share of operating expenses, and increases by 4% each anniversary date. Ayuda, Inc. received an allowance for improvements to the new space. The value of these improvements totaled \$20,700 and have been recorded as an asset and as a deferred rent liability and are being amortized over the life of the related lease.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the occupancy expense being recognized for financial statement purposes is recorded as a deferred rent liability in the accompanying Statement of Financial Position.

Rent expense for the year ended September 30, 2022 totaled \$717,074 and is included in occupancy expense in the accompanying Statement of Functional Expenses. The deferred rent liability was \$179,370 at September 30, 2022.

At September 30, 2022, the future minimum lease payments under these lease agreements are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2023	\$ 657,580
2024	683,782
2025	711,047
2026	531,814
2027	448,683
Thereafter	<u>1,959,557</u>
	<u>\$ 4,992,463</u>

7. CONTINGENCY

Ayuda, Inc. receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022**

7. CONTINGENCY (Continued)

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2022. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

8. RETIREMENT PLAN

Ayuda, Inc. offers a retirement benefit plan through a qualified 403(b) tax-deferred annuity plan covering all eligible employees. Under the Plan, Ayuda, Inc. deducts a percentage or specific amount from the employees income each pay period, up to the legally allowed limit per the employee's election. Starting in 2017, the Plan permits contributions by the employer. Ayuda, Inc. contributed a 3% match. Contributions to the Plan during the year ended September 30, 2022 totaled \$125,149, and is included in salaries and related benefits and taxes in the accompanying Statement of Functional Expenses.

9. SUBSEQUENT EVENTS

In preparing these financial statements, Ayuda, Inc. has evaluated events and transactions for potential recognition or disclosure through January 25, 2023, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

AYUDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures
Department of Justice				
Commonwealth of Virginia - Crime Victim Assistance	16.575	2020-V2-GX-0048	\$ -	\$ 243,558
Government of District of Columbia - Office of Victims Services and Justice - Crime Victim Assistance	16.575	15POVC-21-GG-00616-ASSI and Local	-	580,944
Maryland Governor's Office of Crime Control and Prevention - Crime Victim Assistance	16.575	15POVC-21-GG-00630	-	951,891
Subtotal 16.575			-	1,776,393
Government of the District of Columbia, Office of Victims Services and Justice - Violence Against Women Formula Grants	16.588	15JOVW-21GG-00557-STOP	-	241,937
Commonwealth of Virginia - Violence Against Women Formula Grants	16.588	21-E6033VA20	-	10,041
Commonwealth of Virginia - Violence Against Women Formula Grants	16.588	22-F6033VA21	-	29,461
Subtotal 16.588			-	281,439
Services for Trafficking Victims	16.320	N/A	-	611,126
Commonwealth of Virginia - Services for Trafficking Victims	16.320	2020-VM-BX-008	-	5,329
Subtotal 16.320			-	616,455
Legal Assistance for Victims	16.524	N/A	-	470,546
Commonwealth of Virginia - Sexual Assault Services Formula Program	16.017	2019-KF-AX-0052	-	9,196
Commonwealth of Virginia - Sexual Assault Services Formula Program	16.017	2019-KF-AX-052, 2020-KF- AX-0018 and 15JOVW-21- GG-00480-SASP	-	17,951
Subtotal 16.017			-	27,147
Sexual Assault Services Culturally Specific Program	16.023	N/A	-	17,909
Total Department of Justice			-	3,189,889

AYUDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor/Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Total Federal Expenditures
Department of Health and Human Services				
US Committee for Refugees and Immigrants - Services to Victims of a Severe Form of Trafficking	93.598	13-1878704	\$ -	\$ 413,269
District of Columbia - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	2101DCVPS	-	<u>153,323</u>
Total Department of Health and Human Services			<u>-</u>	<u>566,592</u>
Department of the Treasury				
COVID-19 - Commonwealth of Virginia - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	29,877
COVID-19 - Government of District of Columbia - Office of Victims Services and Justice - Coronavirus State and Local Fiscal Recovery Funds	21.027	2022-ATJ-01	-	<u>294,879</u>
Total Department of the Treasury			<u>-</u>	<u>324,756</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ -</u></u>	<u><u>\$ 4,081,237</u></u>

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of Ayuda, Inc. under programs of the Federal Government for the year ended September 30, 2022. The information in the Schedule is presented in accordance with the 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)*. Because the Schedule presents only a selected portion of the operations of Ayuda, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Ayuda, Inc.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Ayuda, Inc., has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

AYUDA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

1). Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting:

Unmodified

2). Internal control over financial reporting:

• Material weakness(es) identified?

Yes No

• Significant deficiency(ies) identified?

Yes None Reported

3). Noncompliance material to financial statements noted?

Yes No

Federal Awards

4). Internal control over major federal programs:

• Material weakness(es) identified?

Yes No

• Significant deficiency(ies) identified?

Yes None Reported

5). Type of auditor's report issued on compliance for major federal programs:

Unmodified

6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

7). Identification of major federal programs:

Assistance Listing

Number	Name of Federal Program or Cluster
16.575	Crime Victim Assistance
21.027	Coronavirus State and Local Fiscal Recovery Funds

8). Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

9). Auditee qualified as a low-risk auditee?

X Yes No

AYUDA, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))

There were no reportable findings.

Section IV - Prior Year Findings with Current Year Status

There were no reportable findings.



CPAs & ADVISORS

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

To the Board of Directors
Ayuda, Inc.
Washington, D.C.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ayuda, Inc. as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Ayuda, Inc.'s basic financial statements, and have issued our report thereon dated January 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ayuda, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ayuda, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ayuda, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Ayuda, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

January 25, 2023



CPAs & ADVISORS

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

To the Board of Directors
Ayuda, Inc.
Washington, D.C.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ayuda, Inc.'s 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 Ayuda, Inc.'s major federal programs for the year ended September 30, 2022. Ayuda, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Ayuda, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Ayuda, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Ayuda, Inc.'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 the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Ayuda, Inc.'s federal programs.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Auditor's Responsibilities for the Audit of Compliance

Our 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 Ayuda, Inc.'s compliance based on our 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 Ayuda, Inc.'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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Ayuda, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Ayuda, Inc.'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 Ayuda, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are 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 we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 our audit we did not identify any deficiencies in internal control over compliance that we 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.

Our 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.

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

Gelman Rosenberg & Freedman

January 25, 2023