



AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

AYUDA, INC.

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FINANCIAL STATEMENTS



**FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2023**

AYUDA, INC.

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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, 2024, 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, 2024, 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.

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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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 31, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, 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 29, 2025, 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 black ink that reads "Gelman Rosenberg & Freedman". The signature is written in a cursive, flowing style.

January 29, 2025

AYUDA, INC.

STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,076,911	\$ 2,070,535
Investments	748,642	609,075
Grants and contributions receivable	1,999,910	1,640,620
Accounts receivable	79,023	121,991
Prepaid expenses	<u>157,470</u>	<u>139,583</u>
Total current assets	<u>5,061,956</u>	<u>4,581,804</u>
FIXED ASSETS		
Furniture, equipment and leasehold improvements	68,440	82,247
Less: Accumulated depreciation and amortization	<u>(58,362)</u>	<u>(69,296)</u>
Net fixed assets	<u>10,078</u>	<u>12,951</u>
OTHER ASSETS		
Deposits	52,937	52,937
Right-of-use asset, net	<u>2,998,287</u>	<u>3,574,575</u>
Total other assets	<u>3,051,224</u>	<u>3,627,512</u>
TOTAL ASSETS	<u>\$ 8,123,258</u>	<u>\$ 8,222,267</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Operating lease liability	\$ 605,198	\$ 556,280
Accounts payable and accrued liabilities	125,448	188,309
Accrued salaries and other payroll liabilities	592,234	502,417
Refundable advances	<u>293,565</u>	<u>391,386</u>
Total current liabilities	1,616,445	1,638,392
LONG-TERM LIABILITIES		
Operating lease liability, net	<u>2,597,621</u>	<u>3,202,819</u>
Total liabilities	<u>4,214,066</u>	<u>4,841,211</u>
NET ASSETS		
Without donor restrictions	2,915,751	2,522,867
With donor restrictions	<u>993,441</u>	<u>858,189</u>
Total net assets	<u>3,909,192</u>	<u>3,381,056</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,123,258</u>	<u>\$ 8,222,267</u>

AYUDA, INC.

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	<u>2024</u>			<u>2023</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUE AND SUPPORT				
Foundation and State grants	\$ 6,539,878	\$ 1,678,157	\$ 8,218,035	\$ 5,722,440
Contributed nonfinancial assets	6,884,549	-	6,884,549	6,544,171
Government grants	3,123,660	-	3,123,660	4,122,486
Contributions	415,162	-	415,162	466,157
Events	302,880	-	302,880	350,818
Net investment return	139,365	-	139,365	58,523
Program service fees	84,119	-	84,119	93,195
Other revenue	70,920	-	70,920	58,172
Indirect contributions	50,904	-	50,904	66,714
Net assets released from donor imposed restrictions	<u>1,542,905</u>	<u>(1,542,905)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>19,154,342</u>	<u>135,252</u>	<u>19,289,594</u>	<u>17,482,676</u>
EXPENSES				
Program Services	<u>16,681,380</u>	<u>-</u>	<u>16,681,380</u>	<u>15,075,114</u>
Supporting Services:				
General and Administrative	1,566,087	-	1,566,087	1,457,310
Fundraising	<u>513,991</u>	<u>-</u>	<u>513,991</u>	<u>473,268</u>
Total supporting services	<u>2,080,078</u>	<u>-</u>	<u>2,080,078</u>	<u>1,930,578</u>
Total expenses	<u>18,761,458</u>	<u>-</u>	<u>18,761,458</u>	<u>17,005,692</u>
Change in net assets	392,884	135,252	528,136	476,984
Net assets at beginning of year	<u>2,522,867</u>	<u>858,189</u>	<u>3,381,056</u>	<u>2,904,072</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,915,751</u>	<u>\$ 993,441</u>	<u>\$ 3,909,192</u>	<u>\$ 3,381,056</u>

AYUDA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023

	2024				2023	
	Program Services	Supporting Services		Total Supporting Services	Total Expenses	Total Expenses
		General and Administrative	Fundraising			
Salaries and related benefits and taxes	\$ 7,648,361	\$ 1,117,278	\$ 308,588	\$ 1,425,866	\$ 9,074,227	\$ 7,723,122
Contributed nonfinancial assets	6,830,979	53,570	-	53,570	6,884,549	6,544,171
Professional fees	845,795	136,371	114,350	250,721	1,096,516	893,886
Occupancy	560,121	160,587	-	160,587	720,708	710,905
Emergency client support	293,243	-	3,239	3,239	296,482	401,152
Licenses and fees	108,579	42,934	32,677	75,611	184,190	153,407
Travel expenses	155,249	7,173	733	7,906	163,155	121,647
Office supplies	76,605	17,367	5,628	22,995	99,600	107,952
Computers IT and small equipment	56,914	17,123	370	17,493	74,407	90,981
Insurance	52,866	7,553	-	7,553	60,419	56,911
Litigation	34,044	-	-	-	34,044	79,455
Catering and food	1,865	3,258	26,293	29,551	31,416	38,530
Event expenses	-	-	22,113	22,113	22,113	37,971
Bad debt expenses	16,759	-	-	-	16,759	37,940
Depreciation and amortization	-	2,873	-	2,873	2,873	7,662
TOTAL	\$ 16,681,380	\$ 1,566,087	\$ 513,991	\$ 2,080,078	\$ 18,761,458	\$ 17,005,692

AYUDA, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 528,136	\$ 476,984
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,873	7,662
Unrealized gain on investments	(125,743)	(44,626)
Amortization of right-of-use asset	576,288	516,849
(Increase) decrease in:		
Grants and contributions receivable	(359,290)	151,088
Accounts receivable	42,968	(121,991)
Prepaid expenses	(17,887)	5,738
(Decrease) increase in:		
Accounts payable and accrued liabilities	(62,861)	235
Accrued salaries and other payroll liabilities	89,817	87,749
Refundable advances	(97,821)	156,839
Operating lease liability	<u>(556,280)</u>	<u>(511,695)</u>
Net cash provided by operating activities	<u>20,200</u>	<u>724,832</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	<u>(13,824)</u>	<u>(214,654)</u>
Net cash used by investing activities	<u>(13,824)</u>	<u>(214,654)</u>
Net increase in cash and cash equivalents	6,376	510,178
Cash and cash equivalents at beginning of year	<u>2,070,535</u>	<u>1,560,357</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,076,911</u>	<u>\$ 2,070,535</u>
SUPPLEMENTAL INFORMATION:		
Right-of-Use Asset	<u>\$ -</u>	<u>\$ 4,091,424</u>
Operating Lease Liability for Right-of-Use Asset	<u>\$ -</u>	<u>\$ 4,270,794</u>

AYUDA, INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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 accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit 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". Net assets set aside 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** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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, 2023, from which the summarized information was derived.

New accounting pronouncement adopted -

Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by Ayuda, Inc. that are subject to the guidance in FASB ASC 326 are trade accounts receivable. Ayuda, Inc. implemented the ASU on October 1, 2023, using a modified retrospective approach. Management performed an analysis during the year ended September 30, 2024, and determined that the allowance was deemed immaterial and resulted in enhanced disclosures only.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Cash and cash equivalents -

Ayuda, Inc. considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers totaled \$40,007 as of September 30, 2024. 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 return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Accounts receivable -

Accounts receivable primarily consists of amounts due within one year related to program service fees. Accounts receivable are recorded at their net realizable value which approximates fair value. Accounts receivable are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. As of September 30, 2024, there was no allowance for credit losses.

Grants and contributions receivable -

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$2,873 for the year ended September 30, 2024.

Income taxes -

Ayuda, Inc. is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. Ayuda, Inc. is not a private foundation.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Support from grants and contributions, including Federal awards -

Ayuda, Inc. receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. Ayuda, Inc. performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support 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. Contributions, including grants qualifying as contributions, that are unconditional but 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. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. Ayuda, Inc.'s refundable advances totaled \$293,565 as of September 30, 2024.

In addition, Ayuda, Inc. has obtained funding source agreements related to conditional contributions, such as Federal awards from the U.S. Government, which will be received in future years. Ayuda, Inc.'s unrecognized conditional contributions to be received in future years totaled \$1,470,000 as of September 30, 2024.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the contribution and consisted of donated services from attorneys, undergraduate and graduate students as well as volunteers. 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. None of the contributed nonfinancial assets were restricted by donors and none of the donated goods were monetized through sale. The total amount of donated services received for the year ended September 30, 2024 totaled \$6,884,549.

Revenue from contracts with customers -

Ayuda, Inc.'s events and program service fees revenue are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded 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.'s contracts with customers generally have initial terms of one year or less.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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

Revenue from contracts with customers (continued) -

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. 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 Ayuda, Inc.'s programs and supporting services 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 are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

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.

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.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

2. INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

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, 2024. 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 investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2024.

	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ <u>40,007</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>40,007</u>
Mutual funds:				
Fixed income mutual funds	252,191	-	-	252,191
Equity mutual funds	<u>456,444</u>	<u>-</u>	<u>-</u>	<u>456,444</u>
Total mutual funds	<u>708,635</u>	<u>-</u>	<u>-</u>	<u>708,635</u>
TOTAL INVESTMENTS	\$ <u>748,642</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>748,642</u>

Net investment return consisted of the following for the year ended September 30, 2024:

Interest and dividends	\$ 18,573
Unrealized gain on investments	125,743
Investment expenses provided by external investment advisors	<u>(4,951)</u>
NET INVESTMENT RETURN	\$ <u>139,365</u>

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at September 30, 2024:

Program Services	\$ 721,241
General Support - Time Restricted	<u>272,200</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 993,441</u>

4. NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended September 30, 2024:

Program Services	\$ 1,245,522
General Support - Passage of Time	<u>297,383</u>
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 1,542,905</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	\$ 2,076,911
Investments	748,642
Grants and contributions receivable	1,999,910
Accounts receivable	<u>79,023</u>
Subtotal financial assets available within one year	4,904,486
Less: Donor restricted funds	<u>(721,241)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 4,183,245</u>

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

6. LEASE COMMITMENTS

Ayuda, Inc. follows FASB ASC 842 for leases. Ayuda, Inc. has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. Ayuda, Inc. has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

During 2021, Ayuda, Inc. entered into a ten-year lease agreement, commencing September 2021, for office space in Washington, D.C. 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. In November 2024, Ayuda, Inc. entered into an amendment agreement to early terminate the lease on August 31, 2025. In consideration of the early termination, Ayuda, Inc. received \$200,000 with the termination notice on December 18, 2024. An additional \$200,000 payment is due to Ayuda, Inc. no later than August 31, 2025.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

6. LEASE COMMITMENTS (Continued)

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. On December 19, 2024, the agreement was amended to extend the lease term through January 1, 2027. Effective on April 1, 2025, the base rent starts with monthly installments of \$11,854, plus its share of operating expenses, and increases by 2.75% each anniversary date. The additional amount committed under this agreement is \$192,924.

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.

For the year ended September 30, 2024, total lease cost was \$709,762 and total cash paid was \$685,661 for all operating leases. As of September 30, 2024, the weighted-average remaining lease term and rate for operating leases is 6.18 years and 0.32%, respectively.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest, as of September 30, 2024:

<u>Year Ending September 30,</u>		
2025	\$	713,014
2026		522,282
2027		450,362
2028		470,653
2029		491,806
Thereafter		<u>958,169</u>
		3,606,286
Less: Imputed interest		<u>(403,467)</u>
		3,202,819
Less: Current portion		<u>(605,198)</u>
LONG-TERM PORTION	\$	<u>2,597,621</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 (Uniform Guidance)*. The ultimate determination of amounts received under the Federal awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. 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. Audits in accordance with the applicable provisions of Subpart F of the Uniform Guidance have been completed for all required fiscal years through 2024.

AYUDA, INC.

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

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, 2024 totaled \$201,503, and is included in salaries and related benefits and taxes in the accompanying Statement of Functional Expenses.

9. CONTRIBUTED NONFINANCIAL ASSETS

During the year ended September 30, 2024, Ayuda, Inc. was the beneficiary of donated services from attorneys, undergraduate and graduate students as well as volunteers which allowed Ayuda, Inc. to provide greater resources to the community. No donor-imposed restrictions were associated with the contributed nonfinancial assets, which are recorded at their estimated fair market value as of the date of the contribution. The contributed nonfinancial assets have been included as revenue and expenses in the accompanying financial statements for the year ended September 30, 2024, as follows:

Legal Services	\$ 6,346,260
Other Services	<u>538,289</u>
TOTAL	<u>\$ 6,884,549</u>

The following programs and supporting services have benefited from these donated services:

Program Services	\$ 6,830,979
General and Administrative	<u>53,570</u>
TOTAL	<u>\$ 6,884,549</u>

10. SUBSEQUENT EVENTS

In preparing these financial statements, Ayuda, Inc. has evaluated events and transactions for potential recognition or disclosure through January 29, 2025, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

AYUDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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				
Virginia Department of Criminal Justice Services - Crime Victim Assistance	16.575	15POVC-21-GG00602-ASSI, 15POVC-22-GG-00681-ASSI, 15POVC-23-GG	-	\$ 51,453
Government of District of Columbia - Crime Victim Assistance	16.575	15POVC-23-GG-00395-ASSI	-	470,158
Virginia Department of Criminal Justice Services - Crime Victim Assistance	16.575	15JOVW-22-GG-00389-SASP	-	9,719
State of Maryland, Maryland Governor's Office of Crime Control and Prevention - Crime Victim Assistance	16.575	15POVC-22-GG-00758	-	<u>346,240</u>
Subtotal 16.575			<u>-</u>	<u>877,570</u>
Government of the District of Columbia, Office of Victims Services and Justice - Violence Against Women Formula Grants	16.588	15JOVW-23-GG-00564-STOP	-	274,124
Virginia Department of Criminal Justice Services - Violence Against Women Formula Grants	16.588	15JOVW-23-GG-00605-Stop	-	38,465
Virginia Department of Criminal Justice Services - Violence Against Women Formula Grants	16.588	15JOVW-21-GG-00568-STOP, 15JOVW-22-GG-00455-STOP	-	<u>11,382</u>
Subtotal 16.588			<u>-</u>	<u>323,971</u>
Services for Trafficking Victims	16.320	N/A	-	<u>542,221</u>
Culturally and Linguistically Specific Services Program	16.016	N/A	-	<u>192,805</u>
Legal Assistance for Victims	16.524	N/A	-	<u>434,032</u>
Virginia Department of Criminal Justice Services - Sexual Assault Services Formula Program	16.017	15JOVW-23-GG-00661-SASP	-	24,525
Virginia Department of Criminal Justice Services - Sexual Assault Services Formula Program	16.017	15JOVW-21-GG-00480-SASP, 15JOVW-22-GG-00389-SASP	-	<u>15,794</u>
Subtotal 16.017			<u>-</u>	<u>40,319</u>

AYUDA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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 (Continued)				
Sexual Assault Services Culturally Specific Program	16.023	N/A	\$ -	\$ 108,699
Virginia Department of Criminal Justice Services - To Provide Direct Services for Crime Victims	16.574	2020-V2-GX-0048,15POVC-21-GG-00602-ASSI, 15POVC-22-GG	-	186,190
Total Department of Justice			-	2,705,807
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	-	291,230
Government of District of Columbia - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	210DCFVP	-	99,323
Total Department of Health and Human Services			-	390,553
Department of Homeland Security				
Lutheran Social Services of the National Capital Area - Case Management Pilot Program	97.102	CWS-CMPP2023-02	-	27,300
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 3,123,660

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, 2024. 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, 2024

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

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
16.524	Legal Assistance for Victims
16.588	Violence Against Women Formula Grants

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, 2024**

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.



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**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, 2024, 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 29, 2025.

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.

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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 29, 2025



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, 2024. 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, 2024.

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.

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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 29, 2025