

OUTREACH AID TO THE AMERICAS, INC.

(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Outreach Aid to the Americas, Inc.
Miami, Florida

Opinion

We have audited the accompanying financial statements of Outreach Aid to the Americas, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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 Outreach Aid to the Americas, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years 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 the standards applicable to financial audits contained in *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 Audits of the Financial Statements section of our report. We are required to be independent of Outreach Aid to the Americas, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Outreach Aid to the Americas, 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 Outreach Aid to the Americas, 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.



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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 audits 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 March 18, 2022, on our consideration of Outreach Aid to the Americas, 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 Outreach Aid to the Americas, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of audits performed in accordance with *Government Auditing Standards* in considering Outreach Aid to the Americas, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's financial statements for the year ended December 31, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Coral Gables, Florida
March 18, 2022

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,057,632	\$ 455,389
Grants receivable	106,997	81,167
Prepaid expenses	2,140	2,021
Total current assets	<u>1,166,769</u>	<u>538,577</u>
PROPERTY AND EQUIPMENT, NET	<u>13,995</u>	<u>1,113</u>
OTHER ASSETS		
Deposits	<u>7,109</u>	<u>7,837</u>
Total other assets	<u>7,109</u>	<u>7,837</u>
Total assets	<u>\$ 1,187,873</u>	<u>\$ 547,527</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 4,809	\$ 52,021
Accounts payable	83,056	41,434
Accrued expenses	46,567	57,459
Total current liabilities	<u>134,432</u>	<u>150,914</u>
NOTES PAYABLE, net of current portion	<u>495,191</u>	<u>120,289</u>
Total liabilities	<u>629,623</u>	<u>271,203</u>
NET ASSETS		
Without donor restrictions	558,250	272,740
With donor restrictions	-	3,584
Total net assets	<u>558,250</u>	<u>276,324</u>
Total liabilities and net assets	<u>\$ 1,187,873</u>	<u>\$ 547,527</u>

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021,
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2021</u>			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUES				
Contributions	\$ 241,419	\$ -	\$ 241,419	\$ 179,701
Grants	2,666,496	-	2,666,496	1,530,328
Private programs	-	70,000	70,000	24,832
In-kind donations	4,679,695	-	4,679,695	3,238,836
Forgiveness of SBA PPP loan	73,810	-	73,810	-
Other income	6,937	-	6,937	24,535
Net assets released from restriction:				
Satisfaction of donor restrictions	73,584	(73,584)	-	-
Total revenues	<u>7,741,941</u>	<u>(3,584)</u>	<u>7,738,357</u>	<u>4,998,232</u>
FUNCTIONAL EXPENSES				
Program services	6,950,495	-	6,950,495	4,832,889
Management and general	503,257	-	503,257	142,593
Fundraising	2,679	-	2,679	13,483
Total functional expenses	<u>7,456,431</u>	<u>-</u>	<u>7,456,431</u>	<u>4,988,965</u>
CHANGES IN NET ASSETS	<u>285,510</u>	<u>(3,584)</u>	<u>281,926</u>	<u>9,267</u>
NET ASSETS, BEGINNING OF YEAR	<u>272,740</u>	<u>3,584</u>	<u>276,324</u>	<u>267,057</u>
NET ASSETS, END OF YEAR	<u>\$ 558,250</u>	<u>\$ -</u>	<u>\$ 558,250</u>	<u>\$ 276,324</u>

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM SERVICES			SUPPORTING SERVICES			Total Functional Expenses
	Government Program Services	Private Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Auto expense	\$ -	\$ -	\$ -	\$ 25,810	\$ -	\$ 25,810	\$ 25,810
Business development	25,580	1,839	27,419	7,803	-	7,803	35,222
Charitable contributions	-	1,850	1,850	51,489	-	51,489	53,339
Conferences and training	943	-	943	1,417	-	1,417	2,360
Consultants	557,154	-	557,154	-	-	-	557,154
Depreciation	-	-	-	5,644	-	5,644	5,644
Employee benefits and taxes	277,301	792	278,093	31,275	-	31,275	309,368
Insurance	-	-	-	1,933	-	1,933	1,933
Marketing	8,175	3,000	11,175	15,208	2,679	17,887	29,062
Office	3,995	16,695	20,690	98,833	-	98,833	119,523
Professional support	359,868	27,697	387,565	35,339	-	35,339	422,904
Program activities	389,591	-	389,591	103,241	-	103,241	492,832
Program activities-containers, meals	63,969	4,615,726	4,679,695	-	-	-	4,679,695
Rent and utilities	-	728	728	60,093	-	60,093	60,821
Repairs and maintenance	-	-	-	19,835	-	19,835	19,835
Salaries	494,786	1,321	496,107	43,602	-	43,602	539,709
Travel	99,431	54	99,485	1,735	-	1,735	101,220
Total functional expenses	\$ 2,280,793	\$ 4,669,702	\$ 6,950,495	\$ 503,257	\$ 2,679	\$ 505,936	\$ 7,456,431

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	PROGRAM SERVICES			SUPPORTING SERVICES			Total Functional Expenses
	Government Program Services	Private Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Auto expense	\$ -	\$ -	\$ -	\$ 23,833	\$ -	\$ 23,833	\$ 23,833
Business development	8,203	429	8,632	807	106	913	9,545
Charitable contributions	-	3,418	3,418	10,813	2,215	13,028	16,446
Conferences and training	500	44	544	-	-	-	544
Consultants	97,273	-	97,273	-	-	-	97,273
Depreciation	-	-	-	3,251	-	3,251	3,251
Employee benefits and taxes	201,459	16,102	217,561	12,643	692	13,335	230,896
Insurance	-	-	-	1,952	-	1,952	1,952
Interest	-	-	-	2,121	-	2,121	2,121
Marketing	26,422	8,003	34,425	1,604	6,762	8,366	42,791
Office	36,386	19,896	56,282	7,853	-	7,853	64,135
Professional support	185,125	4,680	189,805	23,017	-	23,017	212,822
Program activities	354,305	26,717	381,022	-	-	-	381,022
Program activities - containers, meals	93,408	3,145,428	3,238,836	-	-	-	3,238,836
Rent and utilities	66,111	7,748	73,859	8,732	864	9,596	83,455
Repairs and maintenance	-	-	-	29,242	-	29,242	29,242
Salaries	442,595	28,863	471,458	14,933	2,844	17,777	489,235
Travel	56,027	3,747	59,774	1,792	-	1,792	61,566
Total Functional Expenses	\$ 1,567,814	\$ 3,265,075	\$ 4,832,889	\$ 142,593	\$ 13,483	\$ 156,076	\$ 4,988,965

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 281,926	\$ 9,267
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	5,644	3,251
Forgiveness of SBA PPP loan	(73,810)	-
Changes in assets and liabilities:		
Grants receivable	(25,830)	(15,253)
Prepaid expenses	(119)	(121)
Security deposits	728	-
Accounts payable	41,622	26,405
Accrued expenses	(10,892)	11,036
Contract liabilities	-	(26,211)
Net cash provided by operating activities	<u>219,269</u>	<u>8,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Leasehold improvements	<u>(18,526)</u>	-
Net cash used in investing activities	<u>(18,526)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from SBA EIDL loan	401,500	98,500
Advances from SBA PPP loan	-	73,810
Net cash provided by financing activities	<u>401,500</u>	<u>172,310</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	602,243	180,684
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>455,389</u>	<u>274,705</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,057,632</u></u>	<u><u>\$ 455,389</u></u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid for interest	<u><u>\$ -</u></u>	<u><u>\$ 2,121</u></u>

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1. NATURE OF ORGANIZATION

Outreach Aid to the Americas, Inc. (a nonprofit organization) (the “Organization”) was incorporated in the state of Florida on June 28, 1994 under the name of “The Cuban Humanitarian Assistance Society.”

The purpose of the Organization is to conduct advocacy, community, and economic development programs both in Cuba and throughout the Americas, faith-based and otherwise. The Organization’s faith-based internal division advocates a non-denominational Evangelical Christian statement of faith and mission statement.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of Accounting Standards Codification (“ASC”) 958-205 “*Presentation of Financial Statements of Not-for-Profit Entities*”. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets.

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the primary objectives of the Organization. The Organization’s board of directors may designate assets without restrictions for specific operational purposes from time to time.

Net Assets with Donor Restrictions

Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Net assets with donor restrictions totaled \$0 and \$3,584 for the years ended December 31, 2021 and 2020, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and money market accounts with original maturities of three months or less.

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the assets' useful lives or the lease term. Costs of maintenance and repairs are charged to expense, while significant renewals and betterments are capitalized.

The estimated useful lives of significant property and equipment categories are as follows:

Furniture and fixtures	5 - 7 years
Leasehold improvements	3 years
Office equipment and computers	5 - 7 years

Impairment of Long-Lived Assets

Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of an asset group may not be recoverable based on the undiscounted future cash flows of the asset group. If the carrying amount of an asset group may not be recoverable, a write-down to fair value is recorded. Fair values are determined based on the discounted cash flows, active market prices, or external appraisals, as applicable. Long-lived assets are reviewed for impairment at the lowest level independent cash flows can be identified. There was no such impairment for the years ended December 31, 2021 and 2020.

Revenue Recognition

The Organization's disaggregation of revenue recognized from contracts with customers based on the time of performance obligations for the years ended December 31, 2020 and 2019:

	<u>2021</u>	<u>2020</u>
Performance obligations satisfied at a point in time	\$ 4,686,684	\$ 3,255,371
Performance obligations satisfied over time	<u>2,736,496</u>	<u>1,563,160</u>
	<u>\$ 7,423,180</u>	<u>\$ 4,818,531</u>

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Grant Revenue

Grant revenues are recognized over time in the period expenditures are incurred in compliance with the terms of the grants.

Contributed Goods and Services

The Organization receives a substantial amount of goods and services donated by several entities in carrying out activities and special projects. The Organization has recognized in the financial statements in accordance with ASC 958-605 those goods which are voluntarily transferred and have no unstated obligations and those services which create or enhance non-financial assets or require specialized skills which would typically need to be purchased, if not provided by donation. The goods and services received are recorded at their fair value. The total value of goods and services received for the years ended December 31, 2021 and 2020, were \$4,679,695 and \$3,238,836, respectively.

Statements of Functional Expenses

The costs of providing various program and supporting services has been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, including employee benefits, professional support, and salaries. These expenses are allocated based on estimated of time and costs.

Income Tax Status

The Organization is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is classified as a public charity.

Uncertainty in Income Taxes

The Organization follows the provisions of ASC 740-10 “Accounting for Uncertainty in Income Taxes”, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Based on its evaluation, the Organization has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. The evaluation was performed for the tax years ended December 31, 2018, 2019 and 2020, the tax years which remain subject to examination by major tax jurisdictions as of December 31, 2021.

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization’s financial assets, which include cash and cash equivalents and grants receivable as of December 31, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

The Organization’s liquidity and available resources as of December 31, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,057,632	\$ 455,389
Grants receivable	106,997	81,167
Less: Financial assets limited to use:		
Net assets with donor restrictions	-	(3,584)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,164,629</u>	<u>\$ 532,972</u>

NOTE 4. GRANTS RECEIVABLE AND CONTRACT ASSETS AND LIABILITIES

Grants receivable, contract assets, and contract liabilities arising from contracts with customers consisted of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Grants receivable	<u>\$ 106,997</u>	<u>\$ 81,167</u>
Contract assets	<u>\$ -</u>	<u>\$ -</u>
Contract liabilities	<u>\$ -</u>	<u>\$ -</u>

OUTREACH AID TO THE AMERICAS, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2021 and 2020, consisted of the following:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 15,730	\$ 15,730
Leasehold improvements	37,110	18,584
Office equipment and computers	<u>46,933</u>	<u>46,933</u>
	99,773	81,247
Less: accumulated depreciation	<u>85,778</u>	<u>80,134</u>
	<u>\$ 13,995</u>	<u>\$ 1,113</u>

Depreciation expense for the year ended December 31, 2021 and 2020, amounted to \$5,644 and \$3,251, respectively.

NOTE 6. NOTES PAYABLE

The Organization obtained a Paycheck Protection Program loan (“PPP Loan”) on May 8, 2020 through the United States Small Business Administration (“SBA”) in the amount of \$73,810. The PPP Loan had a two-year term with a fixed interest rate of 1%, with payments scheduled to commence in April of 2021. During the year ended December 31, 2021 the loan was fully forgiven by the SBA.

The Organization obtained an Economic Injury Disaster Loan (“EIDL Loan”) on July 30, 2020 through the SBA in the amount of \$98,500. In August of 2021, the Organization borrowed additional funds in the amount of \$401,500 under the same terms of the original agreement. The EIDL Loan has a thirty-year term with a fixed interest rate of 2.75%. Under the terms of the agreement, the Organization is to make monthly installment payments, including principal and interest, of \$2,207, beginning in August of 2022. The EIDL loan has a maturity date of July 30, 2050.

Maturities of notes payable are as follows for years ending December 31:

2022	\$ 4,809
2023	11,790
2024	12,148
2025	12,518
2026	12,898
Thereafter	<u>445,837</u>
	<u>\$ 500,000</u>

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7. COMMITMENTS AND CONTINGENCIES

Rent for Facilities

In May 2016, the Organization entered into a lease agreement for office and warehouse space. The total monthly rental payments were \$3,600. The lease was renewed on May 1, 2019 and expires on April 30, 2022. Monthly rental payments are \$3,600 throughout the lease term. Rent expense for the years ended December 31, 2021 and 2020 amounted to \$42,600.

The future minimum lease payments under the lease agreement for the year ended December 31, 2022 is \$14,400.

Legal

The Organization is subject to claims and legal actions that may arise in the ordinary course of business. The Organization is not aware of any litigation, either pending or filed, that may have a potential impact on the financial statements.

NOTE 8. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances with a financial institution. Balances up to \$250,000, on a per institution basis, are insured by the Federal Deposit Insurance Corporation. At times, cash balances may exceed federally insured limits.

NOTE 9. SUBSEQUENT EVENTS

The Organization evaluated subsequent events through March 18, 2022, the date these financial statements were available to be issued. There were no material subsequent events requiring recognition or disclosure in the financial statements.

OUTREACH AID TO THE AMERICAS, INC.

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2021 AND 2020



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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
Outreach Aid to the Americas, Inc.
Miami, Florida

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 Outreach Aid to the Americas, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 18, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Outreach Aid to the Americas, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Outreach Aid to the Americas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Outreach Aid to the Americas, 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 the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 or significant deficiencies may exist that were not identified.



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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Outreach Aid to the Americas, 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Coral Gables, Florida
March 18, 2022



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**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
Outreach Aid to the Americas, Inc.
Miami, Florida

Opinion on Each Major Federal Program

We have audited Outreach Aid to the Americas, 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 Outreach Aid to the Americas, Inc.'s major federal programs for the year ended December 31, 2021. Outreach Aid to the Americas, 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, Outreach Aid to the Americas, 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 December 31, 2021.

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 Outreach Aid to the Americas, 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 Outreach Aid to the Americas, 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 Outreach Aid to the Americas, Inc.'s federal programs.



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

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 Outreach Aid to the Americas, 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 Outreach Aid to the Americas, 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 Outreach Aid to the Americas, 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 Outreach Aid to the Americas, 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 Outreach Aid to the Americas, Inc. Outreach Aid to the Americas, 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.



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

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.

Coral Gables, Florida

March 18, 2022

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE 1. GENERAL

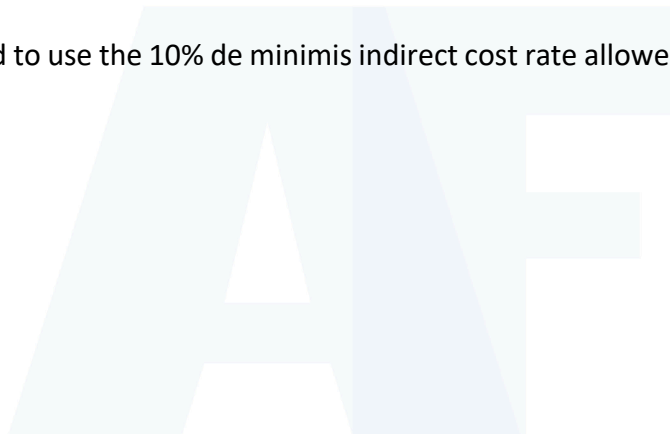
The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the Federal grant activity of Outreach Aid to the Americas, Inc. for the year ended December 31, 2021.

NOTE 2. BASIS OF ACCOUNTING

The Schedule is presented using generally accepted accounting principles, as described in Note 2 to the financial statements. 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), Audits of States, Local Government, and Non-Profit Organizations. Therefore, some amounts in the Schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

NOTE 3. INDIRECT COST RATE

The Organization has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

SECTION I. SUMMARY OF AUDIT RESULTS

Financial Statements

Unmodified auditor's report

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes no

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes no

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR part 200?

yes no

Identification of major programs:

Name of Federal Program or Cluster

CFDA Number

U.S. Department of State
 International Programs to Support Democracy,
 Human Rights, and Labor

19.345

U.S. Agency for International Development
 Systematic Investigation of Human Rights Violations

98.001

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

yes no

OUTREACH AID TO THE AMERICAS, INC.
(A NONPROFIT ORGANIZATION)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2021

SECTION II. FINANCIAL STATEMENT FINDINGS

No findings were reported.

SECTION III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings were reported.

SECTION IV. PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings were reported.

