

**OUTREACH AID TO THE AMERICAS, INC.**

**(A NONPROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**



APPELROUTH  
FARAH & CO., P.A.  
Certified Public Accountants

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

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, 2020 and 2019, 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### **Opinion**

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, 2020 and 2019, 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.

### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Matter**

Our audit was 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 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 February 22, 2021, on our consideration of Outreach Aid to the America, 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 America, 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 Outreach Aid to the America, Inc.'s internal control over financial reporting and compliance.

*Appelrouth, Farah & Co.*

Coral Gables, Florida  
February 22, 2021

355 Alhambra Circle | Suite 900 | Coral Gables, FL 33134  
Telephone: (305) 444-0999 | Toll Free: (877) 446-0999 | Facsimile: (305) 443-5171  
info@appelrouth.com | appelrouth.com

**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

	2020	2019
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 455,389	\$ 274,705
Grants receivable	81,167	65,914
Prepaid expenses	2,021	1,900
Total current assets	538,577	342,519
PROPERTY AND EQUIPMENT, NET	1,113	4,364
<b>OTHER ASSETS</b>		
Deposits	7,837	7,837
Total other assets	7,837	7,837
Total assets	\$ 547,527	\$ 354,720
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Current portion of notes payable	\$ 52,021	\$ -
Accounts payable	41,434	15,029
Accrued expenses	57,459	46,423
Contract liabilities	-	26,211
Total current liabilities	150,914	87,663
NOTES PAYABLE, net of current portion	120,289	-
Total liabilities	271,203	87,663
<b>NET ASSETS</b>		
Without donor restrictions	272,740	189,057
With donor restrictions	3,584	78,000
Total net assets	276,324	267,057
Total liabilities and net assets	\$ 547,527	\$ 354,720

**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUES</b>				
Contributions	\$ 179,701	\$ -	\$ 179,701	\$ 146,555
Grants	1,530,328	-	1,530,328	1,025,607
Mission travel revenue	-	-	-	20,022
Private programs	-	24,832	24,832	162,297
In-kind donations	3,238,836	-	3,238,836	4,842,425
Other income	24,535	-	24,535	56,855
Net assets released from restriction				
Satisfaction of donor restrictions	99,248	(99,248)	-	-
Total revenues	<u>5,072,648</u>	<u>(74,416)</u>	<u>4,998,232</u>	<u>6,253,761</u>
<b>FUNCTIONAL EXPENSES</b>				
Program services	4,832,889	-	4,832,889	5,762,646
Management and general	142,593	-	142,593	312,801
Fundraising	13,483	-	13,483	22,164
Total functional expenses	<u>4,988,965</u>	<u>-</u>	<u>4,988,965</u>	<u>6,097,611</u>
<b>CHANGES IN NET ASSETS</b>	<u>83,683</u>	<u>(74,416)</u>	<u>9,267</u>	<u>156,150</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	189,057	78,000	267,057	139,855
<b>CUMULATIVE EFFECT ADJUSTMENT</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,948)</u>
<b>NET ASSETS, BEGINNING OF YEAR (AFTER CUMULATIVE EFFECT ADJUSTMENT)</b>	<u>189,057</u>	<u>78,000</u>	<u>267,057</u>	<u>110,907</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 272,740</u>	<u>\$ 3,584</u>	<u>\$ 276,324</u>	<u>\$ 267,057</u>

**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**SCHEDULE 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
<b>Total functional expenses</b>	<b>\$ 1,567,814</b>	<b>\$ 3,265,075</b>	<b>\$ 4,832,889</b>	<b>\$ 142,593</b>	<b>\$ 13,483</b>	<b>\$ 156,076</b>	<b>\$ 4,988,965</b>

**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	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	\$ -	\$ -	\$ -	\$ 20,383	\$ -	\$ 20,383	\$ 20,383
Business development	3,689	1,335	5,024	9,227	-	9,227	14,251
Charitable contributions	-	-	-	21,939	4,494	26,433	26,433
Conferences and training	-	-	-	250	-	250	250
Consultants	87,020	-	87,020	-	-	-	87,020
Depreciation	-	-	-	3,698	-	3,698	3,698
Employee benefits and taxes	107,270	22,183	129,453	63,808	3,645	67,453	196,906
Marketing	329	815	1,144	14,612	1,751	16,363	17,507
Office	13,442	2,862	16,304	44,836	-	44,836	61,140
Professional support	101,368	4,190	105,558	37,312	-	37,312	142,870
Program activities	244,273	58,850	303,123	-	-	-	303,123
Program activities - containers	277,650	4,430,214	4,707,864	-	-	-	4,707,864
Rent and utilities	8,568	-	8,568	45,925	4,738	50,663	59,231
Salaries	300,546	30,293	330,839	38,413	7,536	45,949	376,788
Travel	51,179	16,570	67,749	12,398	-	12,398	80,147
<b>Total Functional Expenses</b>	<b>\$ 1,195,334</b>	<b>\$ 4,567,312</b>	<b>\$ 5,762,646</b>	<b>\$ 312,801</b>	<b>\$ 22,164</b>	<b>\$ 334,965</b>	<b>\$ 6,097,611</b>



**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 9,267	\$ 156,150
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	3,251	3,698
Loss on disposal of property and equipment	-	1,640
Changes in assets and liabilities:		
Grants receivable	(15,253)	(65,914)
Prepaid expenses	(121)	(831)
Accounts payable	26,405	(6,668)
Accrued expenses	11,036	17,370
Contract liabilities	(26,211)	(12,572)
Net cash provided by operating activities	<u>8,374</u>	<u>92,873</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from notes payable	<u>172,310</u>	<u>-</u>
Net cash provided by financing activities	<u>172,310</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>180,684</b>	<b>92,873</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>274,705</u></b>	<b><u>181,832</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 455,389</u></b>	<b><u>\$ 274,705</u></b>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
Cash paid for interest	<u>\$ 2,121</u>	<u>\$ 2,129</u>

**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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. 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 \$3,584 and \$78,000 for the years ended December 31, 2020 and 2019, 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, 2020 AND 2019**

**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. Costs of maintenance and repairs are charged to expense, while significant renewals and betterments are capitalized.

The estimated useful lives of the assets 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, 2020 and 2019.

**Change in Accounting Policy**

Except for the changes below, the Organization has consistently applied the accounting policies to all periods presented in these financial statements.

In May of 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers ("Topic 606")" requiring an entity to recognize revenues when a customer obtains control of a good or service, in an amount that reflects the consideration to which an entity expects to be entitled for the transfer of promised goods or services to customers. The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

Effective January 1, 2019, the Organization adopted the requirements of Topic 606 and all related amendments to all contracts using the modified retrospective method. Accordingly, the Organization recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of net assets without donor restrictions.

**OUTREACH AID TO THE AMERICAS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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>2020</u>	<u>2019</u>
Performance obligations satisfied at a point in time	\$ 3,255,371	\$ 4,919,302
Performance obligations satisfied over time	1,563,160	1,187,904
	<u>\$ 4,818,531</u>	<u>\$ 6,107,206</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.

***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, 2020 and 2019, were \$3,238,836 and \$4,842,425, respectively.

**Contract Liabilities**

Contract liabilities are comprised of grant funds which are received in advance of grant expenditures.

**OUTREACH AID TO THE AMERICAS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 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, 2017, 2018 and 2019, the tax years which remain subject to examination by major tax jurisdictions as of December 31, 2020.

**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, 2020 and 2019, 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.

**OUTREACH AID TO THE AMERICAS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)**

The Organization's liquidity and available resources as of December 31, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end	\$ 536,556	\$ 340,619
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	<u>3,584</u>	<u>78,000</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 532,972</u>	<u>\$ 262,619</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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Grants receivable	<u>\$ 81,167</u>	<u>\$ 65,914</u>
Contract assets	<u>\$ -</u>	<u>\$ -</u>
Contract liabilities	<u>\$ -</u>	<u>\$ 26,211</u>

**NOTE 5. PROPERTY AND EQUIPMENT**

Property and equipment at December 31, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Furniture and fixtures	\$ 15,730	\$ 15,730
Leasehold improvements	18,584	18,584
Office equipment and computers	<u>46,933</u>	<u>46,933</u>
	81,247	81,247
Less: accumulated depreciation	<u>80,134</u>	<u>76,883</u>
	<u>\$ 1,113</u>	<u>\$ 4,364</u>

**OUTREACH AID TO THE AMERICAS, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 5. PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense for the year ended December 31, 2020 and 2019, amounted to \$3,251 and \$3,698, 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.

The Organization obtained an Economic Injury Disaster Loan (“EIDL Loan”) on July 30, 2020 through the United States Small Business Administration in the amount of \$98,500. 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 \$4,421, beginning twelve months from the date of the loan. The EIDL loan has a maturity date of July 30, 2050.

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

2021	\$ 52,021
2022	24,960
2023	2,318
2024	2,386
2025	2,456
Thereafter	<u>88,169</u>
	<u>\$ 172,310</u>

Subsequent to year-end, the PPP loan was formally forgiven by the SBA pursuant to the provisions of the agreement.

**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, 2020 and 2019 amounted to \$42,600.

**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 7. COMMITMENTS (CONTINUED)**

The future minimum lease payments under the lease agreement for the years ended December 31 are as follows:

<u>December 31</u>	
2021	\$ 43,200
2022	<u>14,400</u>
	<u>\$ 57,600</u>

**Risks and Uncertainties**

In March of 2020, a global pandemic was declared by the World Health Organization that has resulted in a disruption to business activities across the world. The COVID-19 virus has caused significant business closures, supply chain interruptions, production delays and reduced workforce that is likely to adversely impact the US and global markets. As of the date of this report, we are unable to reasonably estimate the length of the pandemic or the impact, if any, it will have on the Organization.

**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 February 22, 2021, the date these financial statements were available to be issued.



**OUTREACH AID TO THE AMERICAS, INC.**

**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2020 AND 2019**



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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, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 22, 2021.

**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”) to determine the 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 may exist that have not been identified.



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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 (CONTINUED)**

**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 determination of financial statement amounts. 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.

*Appelrouth, Farah + Co.*

Coral Gables, Florida  
February 22, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH FEDERAL 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

**Report on Compliance for Each Major Federal Program**

We have audited Outreach Aid to the Americas, Inc.'s compliance with the types of compliance requirements described 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 program for the year ended December 31, 2020. Outreach Aid to the Americas, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Outreach Aid to the Americas, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Outreach Aid to the Americas, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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

**Auditor's Responsibility (Continued)**

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Outreach Aid to the Americas, Inc.'s compliance.

**Opinion on Each Major Federal Program**

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 program for the year ended December 31, 2020.

**Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

Outreach Aid to the Americas, Inc.'s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Outreach Aid to the Americas, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of Outreach Aid to the Americas, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Outreach Aid to the Americas, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Outreach Aid to the Americas, Inc.'s internal control over compliance.



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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 (Continued)**

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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Appelrouth, Farah + Co.*

Coral Gables, Florida  
February 22, 2021

**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2020**

**NOTE 1. GENERAL**

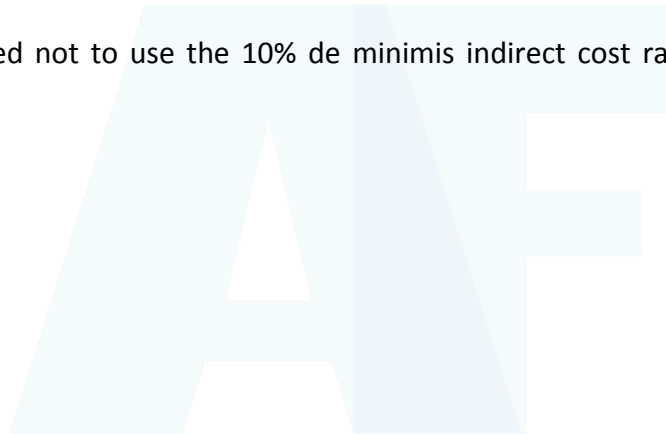
The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the Federal grant activity of Outreach Aid to the Americas, Inc. for the year ended December 31, 2020.

**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 not 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, 2020**

**SECTION I. SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements* Unmodified auditor's report

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ X no

*Federal Awards*

Internal control over financial reporting:

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
U.S. Department of State	
Department of Democracy, Human Rights and Labor	19.345

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ X yes \_\_\_\_\_ no



**OUTREACH AID TO THE AMERICAS, INC.**  
**(A NONPROFIT ORGANIZATION)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2020**

**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.

