



AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED DECEMBER 31, 2020

ORPE HUMAN RIGHTS ADVOCATES, INC.

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

ORPE HUMAN RIGHTS ADVOCATES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Orpe Human Rights Advocates, Inc.
Columbia, MD.

Report on the Financial Statements

We have audited the accompanying financial statements of Orpe Human Rights Advocates, Inc., which comprise the statement of financial position as of December 31, 2020, 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.

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 audit. 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. Those standards require that we plan and perform the audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orpe Human Rights Advocates, Inc. as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited OHRA, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 22, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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 Schedule of Expenditures of Federal Awards on pages I-(15 - 16), 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 27, 2021, on our consideration of Orpe Human Rights Advocates, 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 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 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 OHRA, Inc.'s internal control over financial reporting and compliance.

January 29, 2021

ORPE HUMAN RIGHTS ADVOCATES
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

ASSETS		<u>2020</u>	<u>2019</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	533,617	\$ 487,390
Grants receivable		2,000,000	-
Prepaid expenses		-	26,335
Total current assets		<u>2,533,617</u>	513,725
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS			
Furniture, equipment and leasehold improvements		41,532	32,668
Less: Accumulated depreciation and amortization		<u>(12,707)</u>	<u>(18,008)</u>
Net furniture, equipment and leasehold improvements		28,825	14,660
OTHER ASSETS			
Deposits		-	<u>22,517</u>
TOTAL ASSETS	\$	<u>2,562,442</u>	\$ <u>550,902</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Loan payable	\$	-	\$ -
Accounts payable and accrued liabilities		27,471	22,351
Accrued salaries and other payroll liabilities		-	-
Deferred rent		-	26,025
Deferred revenue		22,086	775
Refundable advances		-	12,294
Total current liabilities		49,557	<u>45,420</u>
LONG-TERM LIABILITIES			
Loan payable, net of current portion		-	-
Deferred rent, net of current portion		-	-
Total long-term liabilities		-	-
Total liabilities		<u>49,557</u>	<u>45,420</u>
NET ASSETS			
Without donor restrictions		533,617	550,902
With donor restrictions		2,000,000	-
Total net assets		<u>2,533,617</u>	<u>550,902</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>2,583,174</u>	\$ <u>596,322</u>

See accompanying notes to financial statements.

**ORPE HUMAN RIGHTS ADVOCATES
STATEMENT OF ACTIVITIES AND CHANGE IN NET
ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Foundation and state grants	\$ -	-	\$ -	\$ -
Government grants	-	2,000,000	2,000,000	-
In-kind contributions	271,721	-	271,721	1,298
Contributions	4,205	-	4,205	3,473
Fundraising	164,037	-	164,037	7,802
Program service	628,002	-	628,002	38,503
Indirect contributions	142,646	-	142,646	-
Net assets released from donor imposed restrictions	<u>1,210,611</u>	<u>2,000,000</u>	<u>3,210,611</u>	<u>48,600</u>
Total revenue and support	<u>1,210,611</u>	<u>2,000,000</u>	<u>3,210,611</u>	<u>48,600</u>
EXPENSES				
Program Services	2,748,559	-	2,748,559	48,300
Supporting Services:				
General and Administrative	138,785	-	138,785	35,894
Fundraising	6,800	-	<u>6,800</u>	<u>872</u>
Total supporting services	<u>142,627</u>	-	<u>142,627</u>	<u>11,834</u>
Total expenses	<u>3,210,488</u>	-	<u>3,210,488</u>	<u>48,600</u>
Change in net assets	(17,285)	2,000,000	1,982,715	
Net assets at beginning of year	533,617		533,617	487,390
NET ASSETS AT END OF YEAR	\$ <u>533,617</u>	\$ <u>2,000,000</u>	\$ <u>2,533,617</u>	\$ <u>487,390</u>

ORPE HUMAN RIGHTS ADVOCATES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020				2019	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	General and Administrative	Fundraising			
Salaries and related benefits and taxes	\$ 20,350	\$ 1,959	\$ -	\$ 1,959	\$ 22,309	\$ -
In-kind contributions	-	-	-	-	-	-
Occupancy	76,115	10,987	-	4,494	87,102	20,685
Insurance	5,434	2,068	-	600	7,502	4,597
Program services	1,727,864	-	-	89,826	1,727,864	7,796
Assistance to communities (COVID19)	980,888	-	-	20,832	980,888	-
Accounting/audit	35,511	8,663	-	1,832	44,174	1,297
Information Technology	87,872	10,681	-	4,464	98,553	2,431
Supplies	-	-	-	-	-	-
Legal	32,914	-	-	-	32,914	-
Office expenses	32,813	7,146	4,275	2,702	44,234	6,591
Training and development	-	-	-	-	-	-
Payroll Tax	2,006	1,959	-	3,657	3,965	-
Licenses and permits	-	-	-	-	-	1,696
Equipment expense	-	-	-	-	-	-
Conferences, conventions, & meetings	5,964	1,600	-	676	7,564	1,100
Travel	7,115	10,987	-	4,263	18,102	-
Miscellaneous	-	-	-	-	-	-
Depreciation and amortization	17,942	1,007	-	942	18,949	-
Advertisement and promotion	97,614	18,754	-	6,380	116,368	2,107
TOTAL	\$ 3,130,402	\$ 75,811	\$ 4,275	\$ 142,627	\$ 3,210,488	\$ 48,300

See accompanying notes to financial statements.

ORPE HUMAN RIGHTS ADVOCATES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,982,715	\$ -
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	17,942	-
Increase in:		
Grants receivable	(2,000,000)	(-)
Prepaid expenses	(7,638)	(-)
Deposits	-	(8,797)
Increase (decrease) in:		
Accounts payable and accrued liabilities	32,516	27,871
Accrued salaries and other payroll liabilities	76,192	38,859
Deferred rent	(40,483)	16,822
Deferred revenue	58,064	(24,329)
Refundable advances	-	<u>12,294</u>
Net cash provided (used) by operating activities	<u>126,946</u>	<u>(36,907)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>-</u>	(17,435)
Net cash used by investing activities	<u>-</u>	<u>(17,435)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>43,200</u>	<u>-</u>
Net cash provided by financing activities	<u>43,200</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	170,146	(54,342)
Cash and cash equivalents at beginning of year	<u>21,557</u>	17,980
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u>191,703</u>	\$ <u>21,557</u>

ORPE HUMAN RIGHTS ADVOCATES, INC.

NOTES TO FINANCIAL STATEMENT, DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Orpe Human Rights Advocates, Inc. is a not-for-profit organization, incorporated under the law of Maryland, providing immigration legal services, supportive social services, community empowerment and human services that benefit underserved communities, veterans, refugees, and foreign-born families. These activities are funded primarily through foundation grants and public contributions.

Basis of presentation -

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

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

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with OHRA's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

New accounting pronouncements adopted -

During fiscal year 2020, OHRA adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. OHRA adopted the ASU using a modified prospective basis.

Cash and cash equivalents -

OHRA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000.

ORPE HUMAN RIGHTS ADVOCATES

NOTES FINANCIAL STATEMENT , DECEMBER 31, 2020

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

Cash and cash equivalents (continued) -

At times during the year, Orpe Human Rights Advocates, Inc. maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants receivable -

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

Furniture, equipment and leasehold improvements -

Furniture, equipment and leasehold improvements are stated at cost. Furniture and equipment are depreciated on a straight-line basis over the estimated useful life of the related assets, generally five years. Leasehold improvements are amortized over the remaining life of the lease. Depreciation and amortization expense for the year ended September 30, 2020 totaled \$17,942. Orpe Human Rights Advocates, Inc. capitalizes all items over \$5,000. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes -

O H R A is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is only subject to tax on unrelated business income. OHRA is not a private foundation.

Uncertain tax positions -

For the year ended December 31, 2020, Orpe Human Rights Advocates, Inc. has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Grants and contributions -

The majority of OHRA's revenue is received through grants and contributions from the U.S. government, local government, foundations and other entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. OHRA performs an analysis of the individual grants and contributions to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal.

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grant agreements qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grant awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and classified as conditional and are recognized as contributions when the revenue becomes unconditional. Typically, these agreements also contain a right of return or right of release from obligation provision and the entity has limited discretion over how funds transferred should be spent.

ORPE HUMAN RIGHTS ADVOCATES

NOTES ON FINANCIAL STATEMENT
DECEMBER 31, 2020

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

Grants and contributions (continued) -

As such, OHRA recognizes revenue for these conditional contributions when the related barrier has been overcome (generally, when qualifying expenditures are incurred). Funds received in advance of the occurrence of qualifying expenditures are recorded as refundable advances. For contributions and grants treated as contributions, OHRA had approximately \$2,496,471 in unrecognized conditional awards as of December 31, 2020.

Grants and contributions qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

In-kind contributions -

OHRA receives donated services from attorneys, consultants, graduate students, and health care clinics, and volunteered professional sawyers who volunteered their times and services to manufacture face masks as a response to COVID-19 Pandemic Crisis. The total amount of donated services received for the year ended December 31, 2020 totaled \$1,471,622. Some of these contributions were not reported due to the complication caused by the COVID-19 crisis.

These contributions are reflected in the financial statements as in-kind contributions, recorded at fair value, and charged to the programs benefited.

Events and program service fees -

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

Use of estimates -

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

Functional allocation of expenses -

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

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may impact OHRA's operations. The overall potential impact is unknown at this time.

ORPE HUMAN RIGHTS ADVOCATES

FINANCIAL STATEMENT, DECEMBER 31, 2020

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

New accounting pronouncements (not yet adopted) -

FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. During 2020, the FASB delayed the implementation date under ASU 2020-05 for an additional year. Organizations may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019 and for interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is still permitted.

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

OHRA Plans to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption methods and the impacts of the new standards on its accompanying financial statements.

2. LINE OF CREDIT

Bank has proposed a line of credit of \$50,000 to OHRA. According to the bank proposal, the agreement would bear interest at the bank's prime rate (4.25% at December 31, 2020). There was no outstanding balance on this line of credit as of December 31, 2020 as the fund was not used.

3. LOAN PAYABLE

On May 28, 2020, OHRA received loan proceeds in the amount of \$43,200 to uncover the expenses generated by COVID_19. The loan calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months.

ORPE HUMAN RIGHTS ADVOCATES

NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2020

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020:

Program Services	\$ 2,000,000
General Support - Time Restricted	-
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ <u>2,000,000</u>

5. NET ASSETS RELEASED FROM RESTRICTIONS

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

Program Services	\$ 533,617
General Support - Passage of Time	-
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	\$ <u>533,617</u>

6. 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	\$ 533,617
Grants receivable	2,000,000
Subtotal financial assets available within one year	2,533,617
Less: Donor restricted funds	<u>(2,000,000)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>533,617</u>

OHRA has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, OHRA has a line of credit agreement (as further discussed in Note 3) which allows for additional available borrowings up to \$50,000.

7. LEASE COMMITMENTS

OHRA entered into a three-year lease agreement, commencing October 12, 2020 for its Ellicott City Offices. Base rent starts with monthly installments of \$5,104, plus its share of operating expenses, and increases by 4% each anniversary date.

**ORPE HUMAN RIGHTS
ADVOCATES**

**NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2020**

7. LEASE COMMITMENTS (Continued)

During 2020, OHRA entered into a 89-month lease agreement, commencing February 2020, for office space in Columbia, Maryland. Base rent starts with monthly installments of \$2,798, plus its share of operating expenses, and increases by 4% each anniversary date. OHRA received an allowance for improvements to the new space. The value of these improvements totaled \$20,700 and have been recorded as an asset and as a deferred rent liability and are being amortized over the life of the related lease.

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

Occupancy expense for the year ended September 30, 2020 totaled \$76,115 at December 31, 2020.

8. CONTINGENCY

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

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2020. 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.

9. RETIREMENT PLAN

OHRA will be offering a retirement benefit plan through a qualified 403(b) tax-deferred annuity plan will cover all eligible employees. Under the Plan, OHRA will be deducting a percentage for the employee's income each pay period, up to the legally allowed limit per the employee's election.

ORPE HUMAN RIGHTS ADVOCATES

NOTES ON FINANCIAL STATEMENT,
DECEMBER 31, 2020

10. SUBSEQUENT EVENTS

In preparing these financial statements, OHRA has evaluated events and transactions for potential recognition or disclosure through January 29, 2021, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

OHRA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FUNDS EXPECTED TO BE RELEASED FOR
FISCAL YEAR 2021**

<u>Federal Grantor/Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed- Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Justice				
Government of the District of Columbia, Office of Victims Services and Justice - Crime Victims Program	16.575	N/A \$	-	\$ 237,253
Maryland Governor's Office of Crime Control and Prevention - Victims of Crime Assistance	16.575	N/A	-	<u>853,446</u>
Subtotal 16.575			-	<u>1,090,699</u>
Government of the District of Columbia, Office of Victims Services and Justice - Domestic Violence and Sexual Assault Program	16.588	N/A	-	512,140
Commonwealth of Virginia - Domestic Violence and Sexual Assault Program	16.588	N/A	-	21,604
Commonwealth of Virginia - Domestic Violence and Sexual Assault Program	16.588	N/A	-	<u>12,121</u>
Subtotal 16.588			-	<u>545,865</u>
Office of Victims of Crime - Legal Immigration Assistance Program for Foreign-Born Victims of Human Trafficking	16.320	N/A	-	172,619
Office of Victims of Crime - Specialized Services for Victims of Human Trafficking	16.320	N/A	-	<u>75,818</u>
Subtotal 16.320			-	<u>248,438</u>
Office of Violence Against Women - Legal Assistance for Immigrant Victims Program	16.524	N/A	-	155,980
Office of Violence Against Women - Legal Assistance for Immigrant Victims Program	16.524	N/A	-	<u>229,341</u>
Subtotal 16.524			-	<u>385,321</u>
Equal Justice Works - Crime Victims Justice Corps Legal Fellowship Program	16.582	N/A	-	<u>44,000</u>
Total Department of Justice			-	<u>2,021,885</u>
Department of Health and Human Services				
US Committee for Refugees and Immigrants - Trafficking Victim Assistance Program	93.598	N/A	-	<u>186,417</u>
Vera Institute of Justice, Inc. - Unaccompanied Children Legal Services Project	93.676	N/A	-	<u>288,169</u>
Total Department of Health and Human Services			-	<u>474,586</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ <u>2,496,471</u>

OHRA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of OHRA under programs of the Federal government for the year ended December 31, 2020. 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 OHRA, it is not intended to and does not present the financial position, changes in net assets or cash flows of OHRA.

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. OHRA has elected not to use the 10-percent of indirect cost rate as allowed under the Uniform Guidance.

OHRA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.575	Crime Victim Assistance
16.588	Violence Against Women Formula Grants

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

\$2,000,000

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

X Yes No

OHRA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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.

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

Independent Auditor's Report

To the Board of Directors
Orpe Human Rights Advocates
Ellicott City, MD.

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 OHRA as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise OHRA's basic financial statements, and have issued our report thereon dated January 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Orpe Human Rights Advocates' 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 OHRA's internal control. Accordingly, we do not express an opinion on the effectiveness of OHRA'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 OHRA'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Orpe Human Rights Advocates' 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.

January 29, 2021



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE 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)**

Independent Auditor's Report

To the Board of Directors
Orpe Human Rights Advocates
Ellicott City, MD.

Report on Compliance for Each Major Federal Program

We have audited Orpe Human Rights Advocates, 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 OHRA's major Federal programs for the year ended December 31, 2020. OHRA's major Federal programs are 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 the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Orpe Human Rights Advocates' major Federal programs 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 OHRA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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 OHRA's compliance.

Opinion on Each Major Federal Program

In our opinion, Orpe Human Rights Advocates, 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, 2020.

Report on Internal Control Over Compliance

Management of OHRA 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 OHRA'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 OHRA's 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 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.

January 29, 2021