

**AFRICAN AMERICAN ART AND CULTURE COMPLEX
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
African American Art And Culture Complex
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of African American Art And Culture Complex (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of African American Art And Culture Complex as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Audit of the Financial Statements section of our report. We are required to be independent of African American Art And Culture Complex and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of African American Art And Culture Complex'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 African American Art And Culture Complex's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Report on Summarized Comparative Information

We have previously audited African American Art And Culture Complex's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 3, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of African American Art And Culture Complex'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 African American Art And Culture Complex'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 African American Art And Culture Complex's internal control over financial reporting and compliance.

Grant & Smith, LLP

Oakland, California
June 28, 2024

AFRICAN AMERICAN ART AND CULTURE COMPLEX
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
(With Summarized Totals for 2022)

ASSETS		
	2023	2022
Current Assets		
Cash & Cash Equivalents	\$ 204,695	\$ 1,801,189
Grants & Contracts Receivable	1,241,332	1,069,453
Prepaid Expenses & Deposits	23,268	14,647
Total Current Assets	<u>1,469,295</u>	<u>2,885,289</u>
Fixed Assets		
Furniture, Fixtures & Equipment	184,474	184,474
Less Accumulated Depreciation	<u>(174,867)</u>	<u>(171,561)</u>
Net Fixed Assets	<u>9,607</u>	<u>12,913</u>
TOTAL ASSETS	<u><u>\$ 1,478,902</u></u>	<u><u>\$ 2,898,202</u></u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 449,821	\$ 254,329
Accrued Expenses	18,307	19,059
Deferred Revenue	<u>1,387,217</u>	<u>1,387,217</u>
Total Current Liabilities	<u>468,128</u>	<u>1,660,605</u>
 Total Liabilities	 <u>468,128</u>	 <u>1,660,605</u>
Net Assets		
Without Donor Restrictions	810,774	998,847
With Donor Restrictions	<u>200,000</u>	<u>238,750</u>
Total Net Assets	<u>1,010,774</u>	<u>1,237,597</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 1,478,902</u></u>	<u><u>\$ 2,898,202</u></u>

See accompanying notes.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support & Revenue				
Grants & Contracts	\$ 3,763,067	\$ 200,000	\$ 3,963,067	\$ 1,981,882
Fiscal Sponsorship	343,611		343,611	1,015,868
Fiscal Sponsorship Admin	79,445		79,445	35,130
Donations	22,470		22,470	29,441
Other Income	3,766		3,766	9,577
Net Assets Released From Restrictions	238,750	(238,750)		
Total Support & Revenue	4,451,109	(38,750)	4,412,359	3,071,898
Operating Expenses				
Program Services	4,247,703		4,247,703	2,965,505
General & Administration	391,479		391,479	184,303
Total Expenses	4,639,182		4,639,182	3,149,808
CHANGE IN NET ASSETS	(188,073)	(38,750)	(226,823)	(77,910)
NET ASSETS, BEGINNING OF THE YEAR	998,847	238,750	1,237,597	1,315,507
NET ASSETS, END OF THE YEAR	\$ 810,774	\$ 200,000	\$ 1,010,774	\$ 1,237,597

See accompanying notes.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Totals for 2022)

	2023						2022	
	Program Services				Total Program Services	Management & General	Total	Total
	Social Innovation	Social Justice	Social Service	Other Programs				
EXPENSES								
Salaries & Related Expenses								
Salaries & Wages	\$ 12,039	-	\$ 242,589	\$ 4,589	\$ 259,217	\$ 116,019	\$ 375,236	\$ 436,866
Employee Benefits & Taxes	3,007	-	42,221	800	46,028	20,054	66,082	110,476
Total Salaries & Related Expenses	<u>15,046</u>	<u>-</u>	<u>284,810</u>	<u>5,389</u>	<u>305,245</u>	<u>136,073</u>	<u>441,318</u>	<u>547,342</u>
Other Operating Expenses								
Bank Fees	-	-	-	-		1,371	1,371	124
Repair & Maintenance	-	-	-	21		-		
Telephone	172	457	8,713	87	9,429	3,816	13,245	11,234
Utilities	1,026	-	30,142	6,242	37,410	12,335	49,745	40,383
Office Supplies	41	-	10,577	21	10,639	588	11,227	5,328
Program Events	124,832	698,413	586,790	46,449	1,456,484	9,929	1,466,413	402,915
Program Contractor	67,720	217,702	525,809	28,253	839,484	63,990	903,474	472,923
Program Supplies	4,216	5,847	75,693	11,703	97,459	19,308	116,767	57,129
Postage & Shipping	8,367	-	13,086	253	21,706	9,959	31,665	468
Equipment Related	21,466	85,280	164,831	5,823	277,400	14,511	291,911	213,525
Printing & Copying	-	2,847	4,103	163	7,113	204	7,317	1,572
Travel	8,625	5,400	22,338	5,244	41,607	1,875	43,482	1,832
Meeting Expense	641	3,925	22,647	3,924	31,137	3,949	35,086	15,019
Professional Services	10,173	21,353	273,683	711	305,920	19,948	325,868	271,333
Fiscal Sponsorship	33,413	33,250	326,420	140,846	533,929	-	533,929	922,081
Fiscal Sponsorship Admin	2,700	15,000	53,376	8,369	79,445	-	79,445	35,130
Advertising	11	-	1,346	4,434	5,791	6,608	12,399	10,468
Insurance	2,885	-	46,952	851	50,688	21,227	71,915	69,894
Miscellaneous	5,752	7,467	91,094	6,537	110,850	58,862	169,712	60,440
Taxes, Penalties & Fees	-	4,587	-	4,181	8,768	818	9,586	5,959
Depreciation	-	-	2,151	48	2,199	1,108	3,307	2,709
Donation Expense	-	-	15,000	-	15,000	5,000	20,000	2,000
Total Other Operating Expenses	<u>292,040</u>	<u>1,101,528</u>	<u>2,274,751</u>	<u>274,160</u>	<u>3,942,458</u>	<u>255,406</u>	<u>4,197,864</u>	<u>2,602,466</u>
TOTAL EXPENSES	<u>\$ 307,086</u>	<u>\$ 1,101,528</u>	<u>\$ 2,559,561</u>	<u>\$ 279,549</u>	<u>\$ 4,247,703</u>	<u>\$ 391,479</u>	<u>\$ 4,639,182</u>	<u>\$ 3,149,808</u>

See accompanying notes.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Totals for 2022)

	<u>2023</u>	<u>2022</u>
Cash Flow From Operating Activities		
Changes in Net Assets	\$ (226,823)	\$ (77,910)
Adjustments to Reconcile Changes in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,307	2,709
(Increases)/Decreases in Operating Assets:		
Grants & Contracts Receivable	(171,879)	(668,542)
Prepaid Expenses & Deposits	(8,622)	8,870
Increases/(Decreases) in Operating Liabilities		
Accounts Payable	195,492	176,305
Deferred Revenue	(1,387,217)	1,362,467
Accrued Expenses	(752)	2,499
Net Cash Provided/(Used) by Operating Activities	<u>(1,596,494)</u>	<u>806,398</u>
Cash Flows From Investing Activities		
Purchases of Fixed Assets	<u>-</u>	<u>(11,000)</u>
Net Cash Used by Investing Activities	-	(11,000)
Net Increase/(Decrease) in Cash	(1,596,494)	795,398
Cash at the Beginning of the Year	<u>1,801,189</u>	<u>1,005,791</u>
Cash at the End of the Year	<u><u>\$ 204,695</u></u>	<u><u>\$ 1,801,189</u></u>
<i>Supplement disclosure for cash flow information:</i>		
Cash paid for:		
Interest	<u>\$</u>	<u>\$</u>
Tax	<u>\$</u>	<u>\$</u>

See accompanying notes.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The African American Art and Culture Complex (Organization) was incorporated July 23, 2003. It has been granted the status of an exempt, nonprofit arts and cultural organization as provided by the Internal Revenue Service code section 501(C)(3) to nurture and facilitate the empowerment of its community through Afro-centric artistic and cultural expression, mediums education and programming.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when rights to receive are earned, or when services have been provided and expenditures are recorded when obligation to pay is incurred.

Financial Statement Presentation

As required, the accompanying financial statements have been prepared to focus on the Organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by the classification of net assets and transactions into the following classes of assets:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time, and may be maintained permanently by the Organization

The Organization uses net assets with donor restrictions in accordance with donor-imposed restrictions to support specific programs and associated administrative functions. Net assets without donor restrictions are used to support general programs and associated general and administrative functions.

Revenue Recognition

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) net assets with donor restriction are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Grants and contracts are recognized as income when they are received. All grants and contracts must be utilized during the grant period specified in the agreement or contract. The recording of grants and contracts received is dependent on the presence or absence of any donor restrictions. Any donor-restricted support is recorded as an increase in net assets with donor restrictions. When a restriction expires, such as when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restriction are reclassified without donor restrictions. The net assets released from restrictions are reported in the statement of activities.

Fiscal sponsorship revenue is recorded as deferred revenue. AAACC typically receives a 5%-10% admin fee since it is passthrough transaction.

Donations are recognized as revenue when received and are generally recorded as net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash & Cash Equivalents

For purposes of the statement of financial position and statement of cash flows, the Organization considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired, to be cash equivalents.

Grants & Contracts Receivable

Grants receivable consist of amounts due from funding sources, as described in Note 3, and are stated at estimated net realizable value. At June 30, 2023 grants and contracts receivable was \$1,241,332.

Fair Value of Financial Instruments

The carrying amounts of cash equivalents are at approximate fair values due to the short-term maturities of these instruments.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Furniture, Fixtures, and Equipment

Furniture, fixtures, and equipment are stated at cost. Donated assets, if any, are stated at estimated fair value when received. All furniture, fixtures, and equipment with costs in excess of \$1,000 and having a life over one year are capitalized unless otherwise required by a grantor. Repairs and maintenance are expensed as incurred whereas significant improvements, which materially increases value or extends the life of the asset, are capitalized and depreciated over the estimated useful life.

Depreciation is computed on a straight-line basis over estimated lives, ranging from five to ten years. At fiscal year ending June 30, 2023, the Organization incurred \$3,307 in depreciation expenses.

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from California franchise tax under section 23701(d) of the Revenue and Taxation Code. Accordingly, no provisions for income or franchise taxes have been made. The Organization has been determined by the Internal Revenue Service to be classified as a publicly supported organization as described in Section 509 (a)(1) of the Internal Revenue Code.

GAAP provides accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Organization in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination.

Functional Expense Reporting

The financial statements have summarized the costs of providing AAACC's programs. Costs have been allocated between programs and supporting services based on the functions they relate to. Salaries and benefits expenses are charged directly to functions based on the actual time recorded for each function. Any costs that are not directly associated with a function are allocated based on the ratio of actual payroll costs incurred per functional category.

Compensated Absences

Employees of the Organization are entitled to be paid for unused vacation day, depending on job classification, length of service and other factors. The Organization has recorded a liability for vacation as of June 30, 2023 in the amount of \$14,762.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

Comparative Information

The financial statements include certain summarized comparative information from the prior year. This information is presented in total and not by net asset class and does not include sufficient detail to be in conformity with generally accepted accounting principles. Such information should be read together with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was extracted. Certain amounts in the prior year financial statements have been reclassified for comparison purposes to conform to the current year presentation.

NOTE 2 – CASH & CASH EQUIVALENTS

The balance as of June 30, 2023, consisted of:

First Republic	\$ 193,912
PayPal	9,733
Bill.com	1,050
Total	<u>\$ 204,695</u>

All bank balances are FDIC insured.

NOTE 3 - GRANTS & CONTRACTS RECEIVABLE

At June 30, 2023, grants and contracts receivable consisted of the following:

City & County of San Francisco	\$ 1,152,286
MOHCD	26,979
Others	62,067
Total	<u>\$ 1,241,332</u>

The \$100,000 Vanguard Charitable Receivable is restricted.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 - IN KIND CONTRIBUTION OF SERVICES AND FACILITIES

The organization does not record various types of in-kind contribution according to FASB Accounting Standards Codification 958-605-25. This pronouncement requires recognition of professional services received if those services (a) create or enhance long lived assets or (b) require specialized skills; are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services received during the year ended June 30, 2023 are not reflected in the financial statements.

During the year ended June 30, 2023, the organization received donated facility in connection with its operations from the City and County of San Francisco. The fair value for the use of this facility was \$1,067,941.

NOTE 5 - LIQUIDITY & AVAILABILITY

Cash & Cash Equivalents	\$ 204,695
Grants & Contract Receivable	1,241,332
Total Liquid Financial Assets	<u>1,446,027</u>
Less: Restricted Receivable & Net Assets With Donor Restriction	<u>(200,000)</u>
Financial Assets Available to Meet Cash Needs of General Expenditures within One Year	<u><u>\$ 1,246,027</u></u>

The Organization's goal is generally to maintain financial assets to meet 12 months of operating expenses. As part of its liquidity plan, African American Art And Culture Complex plans to keep a portion of cash reserves in a saving account.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

On June 30, 2023 the Organization's net assets with donor restrictions consisted of

Vanguard Charitable Trust (Time Restriction)	<u>\$ 200,000</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 200,000</u></u>

NOTE 7 – LEASES

The Organization has entered into an equipment lease arrangement with UBEO Business Services where the payment terms are based on monthly usage. This arrangement ensures that the Organization only pay for the equipment when it is in use, providing cost-effective and flexible solution for equipment lease. The lease is renewed monthly without a formal contract being received.

AFRICAN AMERICAN ART AND CULTURE COMPLEX
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 - SUBSEQUENT EVENTS

Management of the Organization has reviewed the results of operations for the period of time from its year ended June 30, 2023, through June 28, 2024 the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**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
African American Art And Culture Complex
San Francisco, California

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 African American Art And Culture Complex (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 June 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered African American Art And Culture Complex'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 African American Art And Culture Complex's internal control. Accordingly, we do not express an opinion on the effectiveness of African American Art And Culture Complex'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.

**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***

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether African American Art And Culture Complex’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.

Grant & Smith, LLP

Oakland, California
June 28, 2024