

steven zelin, cpa LLC  
*certified public accountant*

**AFRICAN SERVICES COMMITTEE, INC.  
(A Nonprofit Organization)  
REPORTS  
IN ACCORDANCE WITH  
UNIFORM GUIDANCE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

# steven zelin, cpa LLC

*certified public accountant*

**AFRICAN SERVICES COMMITTEE, INC.  
(A Nonprofit Organization)**

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# steven zelin, cpa LLC

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
African Services Committee, Inc.  
New York, New York

### Report on the Financial Statements

I have audited the accompanying financial statements of African Services Committee, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, 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

My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the financial statements of African Services Committee – Ethiopia, an international affiliate, whose statements reflect total assets of \$144,000 as of December 31, 2015, and total support and revenues of \$345,957 for the year then ended. Those statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for African Services Committee – Ethiopia, is based solely on the report of the other auditors. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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# steven zelin, cpa LLC

*certified public accountant*

## **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of African Services Committee as of December 31, 2015, 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.

## **Report on Summarized Comparative Information**

I have previously audited the African Services Committee, Inc's 2014 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated August 14, 2015. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### **Other Information**

My 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purpose 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*, I have also issued my report dated September 23, 2016, on my consideration of African Services Committee Inc.'s internal control over financial reporting and on my 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 my 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 African Services Committee Inc.'s internal control over financial reporting and compliance.



New York, New York  
September 23, 2016

Steven Zelin  
Certified Public Accountant

**AFRICAN SERVICES COMMITTEE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2015**  
**(With Summarized Financial Information for December 31, 2014)**

	<u>Dec 31,</u> <u>2015</u>	<u>Dec 31,</u> <u>2014</u>
<b>ASSETS</b>		
Cash	\$ 206,182	\$ 886,229
Grants and contracts receivable	1,312,951	694,218
Accounts receivable	-	29,332
Inventory	133,217	121,470
Prepaid expenses and other current assets	5,285	29,149
Fixed assets (net of accumulated depreciation and amortization of \$310,688 at December 31, 2015 and \$294,516 at December 31, 2014)	6,741	22,913
Security deposits	<u>42,958</u>	<u>42,958</u>
 Total Assets	 <u>\$ 1,707,334</u>	 <u>\$ 1,826,269</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 41,933	\$ 1,415
Accrued payroll	47,059	50,479
Other liabilities	<u>7,200</u>	<u>-</u>
 Total Liabilities	 <u>96,192</u>	 <u>51,894</u>
Net assets		
Unrestricted	942,837	1,329,215
Temporarily restricted	<u>668,305</u>	<u>445,160</u>
 Total net assets	 <u>1,611,142</u>	 <u>1,774,375</u>
 Total liabilities and net assets	 <u>\$ 1,707,334</u>	 <u>\$ 1,826,269</u>

**See independent auditor's report.**

**The accompanying notes are an integral part of these statements.**

**AFRICAN SERVICES COMMITTEE, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2015**  
**(With Summarized Financial Information**  
**for the Year Ended December 31, 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
			<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
Revenues and other support				
Grants and contracts	\$ 2,670,695	\$ 528,627	\$ 3,199,322	\$ 3,724,489
Contributions	308,241	-	308,241	388,692
Service Income	104,650	-	104,650	88,817
Miscellaneous income	37,139	-	37,139	6,341
Net assets released from restrictions (Note 7)	<u>305,482</u>	<u>(305,482)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>3,426,207</u>	<u>223,145</u>	<u>3,649,352</u>	<u>4,208,339</u>
Expenses				
Program services				
Legal assistance	954,403	-	954,403	748,052
Social services	624,777	-	624,777	491,619
Health services	632,810	-	632,810	559,754
Housing assistance	419,122	-	419,122	426,200
International assistance	<u>458,405</u>	<u>-</u>	<u>458,405</u>	<u>628,237</u>
Total program services	<u>3,089,517</u>	<u>-</u>	<u>3,089,517</u>	<u>2,853,862</u>
Supporting services				
Management and general	626,932	-	626,932	595,875
Fundraising	<u>96,136</u>	<u>-</u>	<u>96,136</u>	<u>106,549</u>
Total supporting services	<u>723,068</u>	<u>-</u>	<u>723,068</u>	<u>702,424</u>
Total expenses	<u>3,812,585</u>	<u>-</u>	<u>3,812,585</u>	<u>3,556,286</u>
Change in net assets	(386,378)	223,145	(163,233)	652,053
Net assets - beginning of year	<u>1,329,215</u>	<u>445,160</u>	<u>1,774,375</u>	<u>1,122,322</u>
Net assets - end of year	<u>\$ 942,837</u>	<u>\$ 668,305</u>	<u>\$ 1,611,142</u>	<u>\$ 1,774,375</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**AFRICAN SERVICES COMMITTEE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**WITH YEAR ENDED DECEMBER 31, 2015**  
(with summarized for Year Ended December 31, 2014)

	<u>Program Services</u>					<u>Supporting Services</u>				<u>Total</u>	
	<u>Legal Assistance</u>	<u>Social Services</u>	<u>Health Services</u>	<u>Housing Assistance</u>	<u>International Assistance</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund-Raising</u>	<u>Total Supporting Services</u>	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
Salaries	\$ 642,738	\$ 448,540	\$ 351,883	\$ 193,292	\$ 155,516	\$ 1,791,969	\$ 257,960	\$ 25,000	\$ 282,960	\$ 2,074,929	\$ 1,806,925
Payroll taxes and employee benefit	85,444	64,753	77,053	49,290	20,890	297,430	100,508	3,610	104,118	401,548	336,684
Program supplies	6,896	1,887	32,168	575	130,909	172,435	3,067	-	3,067	175,502	206,413
Rent	82,928	33,171	33,234	22,156	42,382	213,871	28,939	-	28,939	242,810	230,246
Professional fees and contracted services	19,927	24,449	12,422	-	732	57,530	110,664	66,011	176,675	234,205	152,688
Client's rental assistance	15,348	-	390	121,631	-	137,369	-	-	-	137,369	139,891
Office supplies	17,023	7,066	5,149	5,666	6,513	41,417	3,327	-	3,327	44,744	38,236
Food and nutrition	-	-	64,663	-	-	64,663	-	-	-	64,663	34,659
Repairs and maintenance	9,605	8,162	6,553	4,598	11,905	40,823	7,498	-	7,498	48,321	74,366
Client travel	12,189	13,918	13,624	2,827	-	42,558	-	-	-	42,558	33,269
Staff travel	6,941	3,464	2,720	3,536	28,717	45,378	8,007	-	8,007	53,385	64,685
Utilities	12,405	2,973	3,050	4,527	942	23,897	4,217	-	4,217	28,114	31,430
Community/client activities	4,329	1,135	12,946	107	32,825	51,342	-	-	-	51,342	202,798
Advertising	2,334	510	2,009	180	20,785	25,818	1,033	1,515	2,548	28,366	61,260
Insurance	-	-	-	-	-	-	33,651	-	33,651	33,651	25,277
IT support and maintenance	10,850	4,936	6,676	4,457	-	26,919	134	-	134	27,053	9,494
Printing and publications	8,378	4,311	4,696	2,696	-	20,081	1,276	-	1,276	21,357	22,256
Miscellaneous	11,426	232	1,337	417	611	14,023	45,853	-	45,853	59,876	43,092
Telephone and internet	5,642	5,270	2,237	3,167	5,678	21,994	4,626	-	4,626	26,620	26,455
Depreciation and amortization	-	-	-	-	-	-	16,172	-	16,172	16,172	16,172
<b>Total expenses</b>	<b>\$ 954,403</b>	<b>\$ 624,777</b>	<b>\$ 632,810</b>	<b>\$ 419,122</b>	<b>\$ 458,405</b>	<b>\$ 3,089,517</b>	<b>\$ 626,932</b>	<b>\$ 96,136</b>	<b>\$ 723,068</b>	<b>\$ 3,812,585</b>	<b>\$ 3,556,296</b>

**See independent auditor's report.**

**The accompanying notes are an integral part of these statements.**

**AFRICAN SERVICES COMMITTEE, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2015**  
(with summarized for the Year Ended December 31, 2014)

	<u>Dec 31,</u> <u>2015</u>	<u>Dec 31,</u> <u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ (163,233)	\$ 652,053
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	16,172	16,172
Decrease (increase) in assets		
Grants receivable	(618,733)	(303,624)
Accounts receivable	29,332	(29,332)
Prepaid expenses and other current assets	23,865	55,737
Inventory	(11,747)	(121,470)
Security deposit	-	(1,645)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	37,097	(19,678)
Refundable advance	-	(31,848)
Other liabilities	7,200	(10,301)
Net cash provided (used) by operating activities	<u>(680,047)</u>	<u>206,064</u>
Cash flows from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	(680,047)	206,064
Cash - beginning of year	<u>886,229</u>	<u>680,165</u>
Cash - end of year	<u>\$ 206,182</u>	<u>\$ 886,229</u>
Supplementary disclosures of cash flow information		
Cash paid during the year for:		
Interest expense	-	

**See independent auditor's report.**

**The accompanying notes are an integral part of these statements.**

**AFRICAN SERVICES COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 1 - NATURE OF ORGANIZATION**

African Services Committee, Inc. (“ASC”) was incorporated on March 18, 1993, under the Not-for-Profit Corporation Law of the State of New York, to improve the health and self-sufficiency of the African community through provision of advocacy, health, housing, social and legal services to African refugees and immigrants in New York City, and HIV prevention, care, treatment and support in Africa. ASC is headquartered in New York City with five field offices in Ethiopia operated by its international affiliate, African Services Committee, Inc. – Ethiopia. The financial statements include the accounts of both entities whereby all significant inter branch accounts and transactions are eliminated. Government grants and contracts, and private contributions are the primary sources of revenue for ASC’s activities.

ASC is exempt from federal income tax under the provisions of Section 501(c) (3) of the Internal Revenue Code. ASC is a publicly supported organization and not a private foundation under 509(a) (1) of the Internal Revenue Code.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of accounting*** - The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Basis of presentation*** - Financial statement presentation follows the Financial Accounting Standards Board Accounting Standards Codification Topic 958 (FASB ASC 958). Under FASB ASC 958, ASC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classification of net assets and related support, revenue and expenses is based on the presence or absence of donor-imposed restrictions.

These classifications are defined as follows:

Unrestricted - unexpended net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted - net assets resulting from contributions and other inflows of assets whose use by the recipient is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions taken pursuant to those stipulations. When stipulations terminate or are fulfilled, the amounts involved are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted - net assets, generally of an endowment nature, resulting from contributions and other inflows of assets whose use by the recipient is limited by donor-imposed stipulation that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the recipient. ASC has no permanently restricted net assets.

**AFRICAN SERVICES COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*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 judgments that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

*Accounts receivable* - ASC records accounts receivable based on contracts and agreements with organizations that are recipients of legal and health services provided by ASC. Interest is not charged on overdue receivables.

*Grants and contracts receivable* - ASC records grants receivable based on established contracts with the federal, state and local governments.

*Allowance for doubtful accounts* - Bad debt expense is charged if a receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable and a review of payments subsequent to year end. Management has determined that an allowance for uncollectible accounts in the amount of \$49,912 is necessary as of December 31, 2015.

*Inventory* - Inventory consisting of medical equipment, drugs, diagnostic tests, new shoes, vitamins, and nutritious supplements and products are stated at the lower of cost or market determined by a weighted average method.

*Fixed assets* - Computers, office equipment, furniture and fixtures, and leasehold improvements are recorded at cost. Donated assets are stated at the fair market value at date of donation. Items with a cost of more than \$5,000 with a useful life of greater than one year are capitalized. Depreciation is recorded on the straight-line basis. Leasehold improvements are amortized on the straight-line basis over the lesser of the estimated useful life or the term of the lease.

*Contributions* - Contributions, including promises to give cash or other assets, are reported at fair value on the date the contribution is received. The gifts are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Revenues from government agencies* - Revenues from government agencies are recognized when earned. Expense-based grants are recognized when allowable expenses are incurred. Performance-based grants are recognized as milestones are achieved.

*Functional allocation of expenses* - The costs of providing ASC's services have been summarized on a functional basis according to the categories for which they were incurred. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**AFRICAN SERVICES COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Tax Status* - ASC has no uncertain tax positions as of December 31, 2015 in accordance with Accounting Standards Codification Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions. ASC is no longer subject to federal or state and local income tax examinations by tax authorities for years before 2012.

*Subsequent events* - Management has evaluated, for potential recognition and disclosure, events and transactions that occurred subsequent to the date of the statement of financial position through August 10, 2016, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through August 10, 2016 that would require disclosure in the financial statements.

**NOTE 3 – GRANTS AND CONTRACTS RECEIVABLE**

Grants and Contracts receivable represent amounts due from various funding sources as of December 31, 2015, which have been subsequently received.

Receivables from grants and contracts consist of the following:

	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
U.S. Department of Health and Human Services	\$ 282,581	\$ 519,198
Miscellaneous funding sources	<u>1,030,370</u>	<u>175,020</u>
Total	\$ <u>1,312,951</u>	\$ <u>694,218</u>

**NOTE 4 - FIXED ASSETS**

Fixed assets consist of:

	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
Equipment	\$ 59,773	\$ 59,773
Leasehold improvements	<u>257,656</u>	<u>257,656</u>
	317,429	317,429
Less: accumulated depreciation and amortization	<u>(310,688)</u>	<u>(294,516)</u>
Total	\$ <u>6,741</u>	\$ <u>22,913</u>

**AFRICAN SERVICES COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 5 - OPERATING LEASES**

ASC entered into a lease for its offices in New York City, expiring January 31, 2018. Minimum required rental payments under the New York City operating lease at December 31, 2015 are as follows:

2016	\$ 284,700
2017	<u>290,015</u>
Total	\$ <u>574,715</u>

Rent expense for the year ended December 31, 2015, including both New York and Ethiopia offices, was \$ 242,810.

**NOTE 6 - CONCENTRATIONS**

Financial instruments which potentially subject ASC to a concentration of credit risk are cash accounts with a financial institution in excess of FDIC insurance limits. Total cash at risk in bank accounts was approximately \$324,100 and \$0 for the year ended December 31, 2014 and 2015, respectively.

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets for the following purposes and programs as of:

	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
Legal Assistance	\$ 469,888	\$ 396,927
Social Service	16,418	17,095
Health Services	24,906	285
Housing Assistance	6,415	30,853
Management & General	50,678	-
International	<u>100,000</u>	<u>-</u>
Total	\$ <u>668,305</u>	<u>445,160</u>

Net assets were released from donor imposed restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>Dec 31, 2015</u>	<u>Dec 31, 2014</u>
Legal Assistance	\$ 207,038	\$ 131,982
Social Services	8,177	45,870
Health Services	15,829	20,759
Housing Assistance	<u>74,438</u>	<u>51,102</u>
Total	\$ <u>305,482</u>	\$ <u>249,713</u>

**AFRICAN SERVICES COMMITTEE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**NOTE 8 - CONTINGENCIES**

ASC receives funding for many of its programs through contracts with governmental agencies. Government funding is based upon complex laws and regulations. Noncompliance with such laws and regulations could result in fines, penalties, and exclusion from such programs. ASC is not aware of any allegations of noncompliance with such laws, and regulations that could have a material adverse effect on its change in net assets or financial position and believes that it is substantially in compliance with all applicable laws and regulations.

**NOTE 9 - LEASE OF EQUIPMENT**

ASC is obligated under a lease agreement for office equipment. The monthly lease payments are \$962 through August 2017.

Future minimum lease payments for equipment rental are as follows:

2016	\$	11,544
2017		<u>7,696</u>
Total	\$	<u>19,240</u>

**NOTE 10 – RETIREMENT PLAN**

ASC maintains a tax deferred 403 (b) plan on behalf of participating employees. Fulltime employees are eligible to join the plan after completing three months of continuous employment. All eligible employees (as defined by the plan) may elect to defer a portion of their salary and contribute to the plan up to the statutory limitations. ASC provides 100% contributions match of up to 6% of compensation with a maximum of \$ 2,400.

2015	\$	50,978
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**NOTE 11 – DECREASE IN NET ASSETS**

The operating results for the year ended December 31, 2015 indicate a decrease in net assets of \$163,542. This decrease was due to the combination of the decrease in net assets of African Services Committee - Ethiopia, an international affiliate, whose financial statements reflect a decrease in net assets of \$142,496 and African Services Committee - US, whose financial statements reflect a decrease in net assets of \$21,046 for the year ended December 31, 2015. Management has reviewed operations and has implemented a plan to improve its financial position in 2016.

**AFRICAN SERVICES COMMITTEE, INC.**  
**SCHEDULE OF EXPEDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

<i>Federal Grantor/Pass Through Grantor/Program Title</i>	<i>Federal CFDA No.</i>	<i>Pass-Through Agency Identifying Number</i>	<i>Federal Expenditures</i>
<i>Major Programs</i>			
<b>Department of Health and Human Services</b>			
HRSA/Ryan White Part A	93.914	06-SCG-552	\$ 460,293
	93.914	06-ADV-552	482,395
	93.914	11-EIP-552	173,021
<b>Passed Through Grants:</b>			
Office of Temporary and Disability Assistance	93.667	CO21600	347,588
DHHS-CDC/Health Research Inc.	93.917	3958-06	50,000
HRSA/Ryan White Part B	93.917	5203-01	150,000
NYC Dept. of Health HUD/HOPWA Program	14.241	07-HPA-002	<u>350,000</u>
<b>Total</b>			<b>\$ <u><u>2,013,297</u></u></b>

*See the independent auditor's report.*

**AFRICAN SERVICES COMMITTEE, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**NOTE 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of African Services Committee, Inc. ("ASC") under programs of the federal government for the year ended December 31, 2015. The information in this 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 ASC, it is not intended to and does not present the financial position, changes in net assets or cash flows of ASC.

# steven zelin, cpa LLC

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*certified public accountant*

**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***

The Board of Directors  
African Services Committee, Inc.  
New York, New York

I 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 Services Committee, Inc. ("ASC") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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 my report thereon dated September 23, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered ASC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ASC's internal control. Accordingly, I do not express an opinion on the effectiveness of ASC'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 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

# steven zelin, cpa LLC

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*certified public accountant*

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether African Services Committee, Inc.'s financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my 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.



New York, New York  
September 23, 2015

Steven Zelin  
Certified Public Accountant

# steven zelin, cpa LLC

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*certified public accountant*

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

The Board of Directors  
African Services Committee, Inc.  
New York, New York

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

I have audited African Services Committee, Inc.'s ("ASC") (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the African Services Committee, Inc.'s major federal programs for the year ended December 31, 2015. ASC'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 requirements of laws, regulations, contracts and grants applicable to its federal programs.

### **Auditor's Responsibility**

My responsibility is to express an opinion on compliance for each of ASC's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 Cost Principles, and 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 I 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 ASC's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of ASC's compliance.

### **Opinion on Each Major Federal Program**

In my opinion, African Services Committee, 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, 2015.

# steven zelin, cpa LLC

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*certified public accountant*

## Report on Internal Control Over Compliance

Management of African Services Committee, 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 my audit of compliance, I considered ASC'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 controls 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, I do not express an opinion on the effectiveness of ASC'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 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.

My 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. I did not identify any deficiencies in internal control over compliance that I 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 my 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.



New York, New York  
September 23, 2016

Steven Zelin  
Certified Public Accountant

**AFRICAN SERVICES COMMITTEE, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Section I—Summary of Auditors' Results**

**Financial Statements**

Type of Auditors' report issued	<u>UNMODIFIED</u>	
Internal control over financial reporting:		
Material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency identified not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None reported
Noncompliance material to financial statements noted?	<u>      </u> Yes	<u>  X  </u> No

**Federal Awards**

Internal control over major programs:		
Material weaknesses identified?	<u>      </u> Yes	<u>  X  </u> No
Significant deficiency identified not considered to be material weaknesses?	<u>      </u> Yes	<u>  X  </u> None reported

Type of auditors' report issued on compliance for major programs	<u>UNMODIFIED</u>	
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Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section .510(a)	<u>      </u> Yes	<u>  X  </u> No
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Identification of major programs:

- United State Department of Health and Human Services      CFDA # 93.914
- United State Department of Health and Human Services      CFDA # 93.667
- United State Department of Health and Human Services      CFDA # 93.917
- United State Department of Housing and Urban Development   CFDA # 14.241

Dollar threshold used to distinguish between Type A and Type B programs	<u>      \$750,000      </u>	
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Auditee qualified as low-risk auditee?	<u>  X  </u> Yes	<u>      </u> No
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**Section II—Financial Statement Findings**

None noted

**Section III—Federal Award Findings and Questioned Costs**

No matters were reported.