

ALL FOR ONE ASSOCIATION
AUDITED FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

Yakob & Company, Pc

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
All For One Association,
Springfield, VA

We have audited the accompanying financial statements of All for One Association, which comprise the statements of assets, liabilities and net assets as of December 31, 2021 and 2020, and the related statements of revenue and expenses and cash flow statements for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of All for One Association at December 31, 2021 and 2020, and its revenue and expenses for the years then ended, in accordance with accounting principles accepted in the United states of America.

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

Due to the registration irregularities with the state of Virginia, AFOA will be going through the dissolution process in the coming year. See the Note 10.

Yakob & Co. PC

Washington, DC

February 18, 2022

ALL FOR ONE ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 124,185	\$ 335,092
Death contribution receivable	-	2,549
Property and equipment, net	-	-
Accrued Income(net of allowance \$326,685 for 2021 and zero for 2020)	-	232,905
Other Assets	<u>1,116</u>	<u>1,116</u>
TOTAL ASSETS	<u>\$ 125,301</u>	<u>\$ 571,662</u>
LIABILITIES AND NET ASSET		
LIABILITIES		
Accounts payable and Accrued Expenses	9,450	109,529
Unearned revenue	573	1,483
Accrued payroll and related liabilities	-	-
TOTAL LIABILITIES	<u>10,023</u>	<u>111,012</u>
NET ASSET		
Unrestricted	<u>115,278</u>	<u>460,650</u>
TOTAL NET ASSET	<u>115,278</u>	<u>460,650</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 125,301</u>	<u>\$ 571,662</u>

See notes to financial statements

ALL FOR ONE ASSOCIATION
 STATEMENTS OF ACTIVITIES
 Years ended December 31, 2021 and 2020

CHANGES IN UNRESTRICTED NET ASSETS	<u>2021</u>	<u>2020</u>
REVENUE AND SUPPORT		
Members Death Contribution	\$ 413,970	\$ 559,065
Interest Income	15	494
Other Income	<u>3,322</u>	<u>11,764</u>
	417,307	571,324
EXPENSES		
Programs		
Members Death Benefit Paid	360,000	480,000
Other Program Expenses	353,549	30,104
General and administrative	<u>49,130</u>	<u>43,273</u>
TOTAL EXPENSES	<u>762,679</u>	<u>553,377</u>
INCREASE(DECREASE) IN UNRESTRICTED NET ASSET	<u>(345,372)</u>	<u>17,947</u>
TOTAL INCREASE IN NET ASSET	(345,372)	17,947
NET ASSET AT BEGINNING OF YEAR	<u>460,650</u>	<u>442,704</u>
NET ASSET AT END OF YEAR	<u><u>115,278</u></u>	<u><u>460,650</u></u>

See notes to financial statements

ALL FOR ONE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021

	Program Service	General and Administrative	Total
Direct Cost			
Members Death Benefit	<u>360,000</u>	<u>-</u>	<u>360,000</u>
Total Benefit cost	<u>360,000</u>	<u>-</u>	<u>360,000</u>
Bad Debt Expense	332,022	-	332,022
Bank Service Charges	143	214	357
Merchant Processing Fees	1,764	-	1,764
Computer and Internet Expenses	2,585	2,585	5,169
Insurance Expense	-	1,374	1,374
Office Supplies	92	367	459
Postage and Delivery	1	6	7
Professional Fees			
Accounting	2,152	8,606	10,758
Consulting	2,062	8,248	10,310
Legal	4,963	19,852	24,815
Payroll Processing	41	165	206
Rent Expense	6,830	6,830	13,661
Tax and Licenses Expense	35	24	59
Software Expenses	<u>860</u>	<u>860</u>	<u>1,719</u>
Total other expenses	<u>353,549</u>	<u>49,130</u>	<u>402,679</u>
Total expenses	<u><u>713,549</u></u>	<u><u>49,130</u></u>	<u><u>762,679</u></u>

See notes to financial statements

ALL FOR ONE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2020

	Program Service	General and Administrative	Total
Direct Cost			
Members Death Benefit	480,000	-	480,000
Total Benefit cost	480,000	-	480,000
Bad Debt Expense	3,045	-	3,045
Bank Service Charges	631	947	1,578
Merchant Processing Fees	2,145	-	2,145
Computer and Internet Expenses	4,058	4,058	8,116
Depreciation Expense	-	207	207
Dues and Subscriptions	-	99	99
Insurance Expense	-	1,397	1,397
Office Supplies	307	1,229	1,536
Payroll Expenses	5,220	3,480	8,700
Payroll Taxes	438	292	730
Postage and Delivery	57	227	284
Professional Fees			
Accounting	1,708	6,833	8,541
Consulting	2,941	11,762	14,703
Legal	985	3,939	4,924
Payroll Processing	154	614	768
Rent Expense	7,734	7,734	15,467
Tax and Licenses Expense	250	167	417
Security	432	288	720
Total other expenses	30,104	43,273	73,377
Total expenses	510,104	43,273.24	553,377

ALL FOR ONE ASSOCIATION
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ (345,372)	\$ 17,947
Adjustments to reconcile decrease in net assets to net cash used by operating activities:		
Depreciation	-	207
Change in assets and liabilities:		
Accounts receivables	2,549	6,745
Accrued revenue	232,905	(141,240)
Accounts payable and accrued expenses	(100,079)	59,279
Unearned Revenue	(910)	(1,706)
Accrued payroll and related liabilities	(1)	(1,616)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>(210,907)</u>	<u>(60,382)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	-
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASED) IN CASH	(210,907)	(60,382)
CASH AT BEGINNING OF YEAR	<u>335,092</u>	<u>395,474</u>
CASH AT END OF YEAR	<u><u>124,185</u></u>	<u><u>335,092</u></u>
Interest paid	\$ -	\$ -

See notes to financial statements

ALL FOR ONE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - ASSOCIATION

All for One Association ("AFOA") is; formed based on Ethiopian mutual assistance concept, known as "Edir"(where members help each other, financially and emotionally, at a time of member's death). AFOA is 501(c) (12) association incorporated in Virginia, as a non-stock corporation, on March 19, 2015.

AFOA was established to organize its members (from Washington DC metro area), with the sole objective of assisting each other in time of death of a member by establishing a unique method of collecting contributions from each member of the Association, and provide monetary assistance of \$20,000.00 (Twenty Thousand Dollars) to the designated family representatives of the deceased member to be used in covering the funeral and other mourning expenses.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: AFOA's accounts are maintained on accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

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

Basis of Presentation: The net assets of AFOA and changes therein are classified and reported in the following categories:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that will be met either by action of AFOA and/or the passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that the assets are to be maintained permanently by AFOA.

There were no temporary or permanently restricted net assets as of December 31, 2021 and 2020.

Cash and Cash Equivalents: All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

ALL FOR ONE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Death Contribution Accounts Receivable: Accounts receivable is the amount due from members - for death contributions. AFOA provides allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for doubtful collections was \$0 as of December 31, 2020 and 2019, respectively.

And the total receivable write-off was \$3,045 and \$82,746 for the years ended December 31, 2020 and 2019, respectively.

Financial Risk: AFOA maintains cash balances, at various banks, which at times may exceed Federally insured limits. AFOA has not experienced any losses in such accounts. AFOA believes it is not exposed to any significant credit risk on cash.

Property and Equipment: Property and equipment are recorded at cost or estimated fair value of donated property. The cost of disposed assets is removed from the respective accounts along with its accumulated depreciation or amortization. Depreciation and amortization are recorded based on the straight-line method over the estimated useful lives of the related asset over three years. AFOA's policy is to capitalize all purchases or donations of property and equipment in excess of \$500.

Revenue Recognition: Revenue from membership registration is recognized at the time of registration. After registration there is a grace period of six months before the member's representatives can claim for death payment. After death claim is approved and paid for, AFOA recognizes the members' death contribution as revenue.

Fair Value of Financial Instruments

The *Fair Value Measurements and disclosures Topic of FASB Accounting Standards Codification* establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

The framework establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

ALL FOR ONE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that is observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

There are no financial instruments subject to fair value measurement on a recurring basis.

Functional Allocation of Expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the three areas benefited.

Income Taxes: AFOA is exempt from the payment of income taxes on its exempt activities under Section 501(c) (12) of the Internal Revenue Code.

NOTE 3 – DEATH CONTRIBUTION RECEIVABLE

For each and every death the members contribute \$15 per person. The outstanding receivable balance at December 31, 2021 and 2020 were zero and \$2,549, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2020 and 2019 consist of the following:

	<u>2021</u>	<u>2020</u>
Computer equipment	\$ 1,911	\$ 1,911
Accumulated depreciation	<u>(1,911)</u>	<u>(1,911)</u>
	\$ <u>=</u>	\$ <u>=</u>

Depreciation expense for the years ended December 31, 2021 and 2020 were zero and \$207, respectively.

ALL FOR ONE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 – OTHER ASSETS

Other assets as of December 31, 2021 and December 31, 2020 consist of rent security deposit in the amount of \$1,116.

NOTE 6 – ACCOUNTS PAYABLE

Accounts payable as of December 31, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Death payment	\$ 5,000	\$ 100,000
Other payables and accrued expenses	<u>4,450</u>	<u>9,529</u>
	\$ <u>9,450</u>	\$ <u>109,529</u>

NOTE 7 - MAJOR REVENUES

AFOA has earned most of its revenue from Members' Death Contribution towards death benefit payment and Membership Dues, which accounted for approximately 98% of gross revenue for the year ended December 31, 2021.

AFOA has earned most of its revenue from Members' Death Contribution towards death benefit payment, which accounted for approximately 98%, of gross revenue for the year ended December 31, 2020.

NOTE 8 – OTHER INCOME

Other income as of December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Late charge	\$ 12	\$ 6,512
Processing charge	3,310	5,652
Miscellaneous Expense (Income)	<u>-</u>	<u>(400)</u>
	\$ <u>3,322</u>	\$ <u>11,764</u>

ALL FOR ONE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - LEASE COMMITMENTS AND RENT EXPENSE

As of December 31, 2018, AFOA rents Office space under agreement that expires in May 31, 2022. The minimum lease payments for the non-cancelable operating lease with an original or remaining term in excess of one year as of December 31, 2019 are as follows:

Year ending December 31,	Office space
2022	<u>\$ 5,817</u>
	<u>\$ 5,817</u>

Rent expense for 2021 and 2020 was \$13,661 and \$15,365, respectively.

Note 10 – Going Concern

The financial statements have been prepared on a going concern basis, which assumes the AFOS will be able to realize its assets and settle its liabilities in the normal course of business for the foreseeable future. AFOA's lawyer, after the fact, was made aware by Virginia's State Corporation Commission (SCC) that there were registration irregularities when AFOA was created. Consequently, the SCC issued a letter, dated 09/09/2021, requesting the board to cease all operations and commence the dissolution process of AFOA. The board has complied with the Virginia SCC's request for dissolution after securing an approval from the General Assembly and will soon be closing down AFOA in the state of Virginia. The board has also secured from the General Assembly the approval of a new management team tasked with forming a new association that complies with the regulations of a nonprofit organization in the District of Columbia, State of Maryland and State of Virginia.

NOTE 11 - SUBSEQUENT EVENTS

In preparing these financial statements, AFOA has evaluated events and transactions for potential recognition or disclosure through February 18, 2022, the date the financial statements were issued.