



Kelly Vitale Raffol LLC
CERTIFIED PUBLIC ACCOUNTANTS

SOUTH AFRICA PARTNERS, INC.



*Financial Statements and Independent Auditors' Report and Reports
Required by the Uniform Guidance and Government Auditing Standards*

For the Year Ended June 30, 2023

SOUTH AFRICA PARTNERS, INC.

Financial Statements

For the Year Ended June 30, 2023

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Independent Auditors' Report

To the Board of Directors of
South Africa Partners, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of South Africa Partners, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Africa Partners, Inc. 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 South Africa Partners, Inc. 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about South Africa Partners, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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.

We did not audit the financial statements of the South Africa office, which reflect total assets of \$398,427 as of June 30, 2023, and total expenses of \$1,569,400 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the South Africa office, is based solely on the report of the other auditors.

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, including omissions, 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 South Africa Partners Inc.'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, which raise substantial doubt about South Africa Partners Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 19, 2024, on our consideration of South Africa Partners, 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 the 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 South Africa Partners Inc.'s internal control over financial reporting and compliance.

KellyVitaleRaffol, LLC

Boston, Massachusetts
January 19, 2024

SOUTH AFRICA PARTNERS, INC.

Statements of Financial Position

As of June 30, 2023

Assets

Cash and cash equivalents	\$	795,716
Grants and contracts receivable		532
Other receivable		4,875
Prepaid expenses		9,005
Fixed assets, net		33,047
Security deposits		9,247
		<hr/>
<i>Total assets</i>	\$	<u>852,422</u>

Liabilities and Net Assets

Liabilities:

Accrued expenses	\$	195,430
Accounts payable		1,794
Deferred revenue		32,805
		<hr/>
<i>Total liabilities</i>		<u>230,029</u>

Net Assets:

Without donor restrictions		614,188
With donor restrictions		8,205
		<hr/>
<i>Total net assets</i>		<u>622,393</u>
		<hr/>
<i>Total liabilities and net assets</i>	\$	<u>852,422</u>

SOUTH AFRICA PARTNERS, INC.

Statement of Activities

For the Year Ended June 30, 2023

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<i>Revenue and Support:</i>			
Contract fees	\$ 1,466,137	\$ -	\$ 1,466,137
Contributions and grants	126,084	21,562	147,646
Interest and dividends	21,006	-	21,006
Gain (loss) on exchange rate conversion	144	-	144
Other income	5,559	-	5,559
Net assets released from restrictions	21,562	(21,562)	-
	<i>Total revenue and support</i>	-	<i>1,640,492</i>
<i>Expenses:</i>			
Program services	1,207,538	-	1,207,538
Management and general	332,574	-	332,574
Fundraising	26,875	-	26,875
	<i>Total expenses</i>	-	<i>1,566,987</i>
	<i>Change in net assets</i>	-	<i>73,505</i>
<i>Net assets, beginning of year</i>	<i>540,683</i>	<i>8,205</i>	<i>548,888</i>
<i>Net assets, end of year</i>	<i>\$ 614,188</i>	<i>\$ 8,205</i>	<i>\$ 622,393</i>

SOUTH AFRICA PARTNERS, INC.

Statements of Cash Flows

For the Year Ended June 30, 2023

Cash Flows from Operating Activities:

Change in net assets	\$	73,505
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation		15,994
Changes in:		
Accounts receivable		5,351
Other receivable		1,434
Prepaid expenses		(631)
Security deposits		(175)
Accrued expenses		18,482
Accounts payable		(6,355)
Deferred revenue		28,347
		<hr/>
<i>Net cash provided by operating activities</i>		135,952

Cash Flows from Investing Activities:

Purchase of fixed assets		<hr/> (3,344)
<i>Net cash used in investing activities</i>		<hr/>(3,344)

Changes in cash and cash equivalents 132,608

Cash and cash equivalents, beginning of year

663,108

Cash and cash equivalents, end of year

\$ 795,716

SOUTH AFRICA PARTNERS, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2023

	<i>Program Services</i>	<i>Management and General</i>	<i>Fundraising</i>	<i>Total</i>
Salaries	\$ 2,210	\$ 40,514	\$ 639	\$ 43,362
Salaries - South Africa	671,855	121,227	8,208	801,289
Payroll taxes	11,081	8,004	232	19,317
Employee benefits	204,962	21,540	1,909	228,411
<i>Total personnel</i>	890,107	191,284	10,988	1,092,379
Advertising	970	90	1,427	2,487
Automobile expenses	233	-	-	233
Bank and credit card fees	1,538	1,181	647	3,366
Consultants	12,415	1,257	8,882	22,554
Depreciation	-	15,994	-	15,994
Dues and subscriptions	1,020	1,998	2,867	5,885
Equipment rental	2,217	626	-	2,843
Grant disbursements	-	24,054	-	24,054
Insurance	7,568	3,832	-	11,401
Meetings and conferences	11,447	909	36	12,392
Miscellaneous expense	-	38,326	-	38,326
Moving expenses	-	446	-	446
Payroll processing	-	2,283	-	2,283
Postage and delivery	131	3	-	133
Printing and copying	11,366	332	1,996	13,695
Professional fees	42,991	30,439	-	73,430
Rent	31,746	4,564	-	36,309
Repairs and maintenance	3,690	4,015	-	7,705
Security	489	8	-	497
Storage	1,488	555	-	2,043
Supplies	62,100	2,910	-	65,010
Technology	11,448	1,563	-	13,011
Telephone and internet	12,649	2,501	-	15,150
Travel	91,018	1,153	30	92,202
Utilities	9,659	1,479	-	11,138
Website	1,250	771	-	2,021
<i>Total expenses</i>	<i>\$ 1,207,538</i>	<i>\$ 332,574</i>	<i>\$ 26,875</i>	<i>\$ 1,566,987</i>

See accompanying notes to financial statements.

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Organization

South Africa Partners, Inc. (the Organization) was organized in the Commonwealth of Massachusetts as a not-for-profit corporation on July 23, 1997. The Organization is dedicated to the establishment of mutually beneficial institutional partnerships between the United States and South Africa, in the areas of health and education. Serving as a catalyst of innovative approaches, the Organization links people, strengthens communities, promotes social justice, and fosters leadership in both countries.

Throughout its work, the Organization strives to:

- Facilitate meaningful partnerships that build the capacity of South African organizations;
- Nurture strategic collaborations and the sharing of best practices between the United States and South Africa; and
- Strengthen people-to-people relationships between those living in South Africa and the United States to promote justice and democracy.

The Organization's headquarters are in Boston, Massachusetts, and it has program and administrative offices in Johannesburg, South Africa. These financial statements include activity from both offices.

Note 2. Summary of Significant Accounting Policies

Standards of Accounting and Reporting

The Organization follows standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for Not-for-Profit Organizations.

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2023. 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 Organization's operations, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

Adopted Accounting Pronouncements

The Organization has reviewed the implementation of ASU No. 2016-02 Leases (Topic 842) for the year ended June 30, 2023, which required the Organization to capitalize on any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to not account for non-lease components separately. It was determined that ASU No. 2016-02 does not apply for the year ended June 30, 2023. The Organization will continue to review on a year to year basis to determine if any changes occur.

Fixed Assets

Fixed assets are recorded at cost when purchased or, if donated, at their estimated fair value at the date of donation. All acquisitions of property and equipment in excess of \$5,000 and all expenditures that materially prolong the useful lives of assets are capitalized.

Depreciation

Provisions for depreciation are made in the accounts using the straight-line method. The estimated useful lives of fixed assets are as follows:

Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	5 years
IT equipment	3 years

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Promise to Give

Unconditional promises to give are recorded as revenues or gains in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, benefits, insurance, rent, repairs and maintenance, and utilities, which are allocated on the basis of estimates of time and effort.

The following functional expenses are directly allocated to the programs, projects and departments as they are utilized:

- Meeting expenses
- Program expenses
- Travel expenses
- Postage and delivery
- Printing

The following functional expenses are allocated depending on time and effort:

- Office supplies
- Rent
- Telephone
- Salary
- Payroll taxes and benefits
- Program fees

Use of Estimates

The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions

Contributions: The Organization recognizes contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest are received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

Exchange transactions: Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("Topic 606") on July 1, 2020 using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Contracts

Financial awards from the federal government in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Grants Expense

Grants are allocated from available resources in accordance with donor and program committee recommendations. Liabilities for grants are recognized when approved by the Board of Directors and subsequently disbursed.

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 2. Summary of Significant Accounting Policies (Continued)

Foreign Currency and Changes in Accounting Estimates

The Organization's currency of the Organization's South Africa office is the South African Rand. Assets and liabilities recorded in foreign currencies are translated into U.S. dollars using the exchange rate in effect at the Statement of Financial Position date. Translation adjustments resulting from this process are charged or credited to income. Additionally, the Organization transfers significant amounts to the South Africa office. As such, revenue and expenses are translated back into U.S. dollars using a forward rate agreement to hedge against volatile currency conversions. The total effect of gains or losses on foreign currency transactions is included in income. For the year ended June 30, 2023, the total loss was \$144.

Note 3. Tax Status

The Organization is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The office in South Africa is a non-profit organization incorporated under Section 21A of the Companies Act of South Africa, and therefore, it is exempt from tax.

Note 4. Availability and Liquidity

The following represents the Organization's financial assets at June 30:

Financial assets at year-end:	
Cash and cash equivalents	\$ 795,716
Grants and contracts receivable	532
Other receivable	4,875
	<hr/>
Total financial assets	801,123
Less: net assets with donor restrictions	8,205
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Total financial assets available to meet general expenditures over the next 12 months	<u><u>\$ 792,918</u></u>

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 4. Availability and Liquidity (Continued)

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue and support to cover general expenditures not covered by donor-restricted resources.

Note 5. Fixed Assets, Net

Fixed assets consist of the following as of June 30:

Motor vehicles	\$ 49,830
Furniture and fixtures	14,518
Office equipment	<u>24,946</u>
	89,294
Less: accumulated depreciation	<u>(56,247)</u>
Fixed assets, net	<u><u>\$ 33,047</u></u>

Depreciation expense for the years ended June 30, 2023 was \$15,994.

Note 6. Line of Credit

The Organization has a \$50,000 line of credit with no outstanding balance for the years ended June 30, 2023.

Note 7. Concentrations of Credit Risk

The Organization maintains its cash balance in one financial institution. The financial institution's balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023, there was no excess of uninsured cash balance at the financial institution. Management believes it is not exposed to any significant credit risk on its cash balance.

Note 8. Foreign Operations

The Organization maintains facilities in South Africa. As of June 30, 2023, account balances in South Africa included cash on hand and in banks totaling \$351,227; receivables totaling \$963; property and equipment, net of accumulated depreciation, amounting to \$33,047, respectively; other assets totaling \$13,190; and liabilities totaling \$163,144. Revenue and support for the foreign office is raised and distributed by the Organization. Account balances relating to foreign operations are reflected in the financial statements in U.S. dollars.

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 8. Foreign Operations (Continued)

The Organization transferred \$1,508,696 to the South Africa facility during the year ended June 30, 2023. As a result of currency exchange changes, South Africa accounted for transfers of \$1,508,522. The currency conversion loss of \$144 is included in the total conversion loss in the statement of activities.

Note 9. Net Assets

Net assets with donor restrictions were as follows for the years ended June 30:

Specific purpose:	
LEAP Program	\$ 3,125
Sinomlando Kids Care Funds	600
ECD Program	4,405
Innovation Fund	<u>75</u>
Total	<u><u>\$ 8,205</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

Satisfaction of purpose restrictions:	
SnAspa	\$ 2,500
Ascarol	<u>19,062</u>
Total	<u><u>\$ 21,562</u></u>

Note 10. Occupancy

The Organization rents office and program space for one office in South Africa. Rent expense in South Africa totaled \$27,572. Rent in Boston is based on a month-to-month basis at \$555 per month. Total rent expense for both offices was \$34,236 for the year ended June 30, 2023.

Note 11. Retirement Plan

The Organization maintains two separate retirement plans for employees in each office. In South Africa, the Organization contributes 3% of an employee's salary. New employees are required to join the plan. Retirement expense for South Africa totaled \$29,747 for the years ended June 30, 2023. In the U.S., the Organization matched up to 2% of an eligible employee's salary. The Organization's retirement expense for the U.S. was zero for the year ended June 30, 2023.

SOUTH AFRICA PARTNERS, INC.

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 12. Subsequent Events

The Organization evaluated events subsequent to June 30, 2023 to January 19, 2024 which is the date the financial statements were available to be issued. There were no material events noted during this period that would impact the results in this report.



***Independent Auditors' 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
South Africa Partners, Inc.
Boston, Massachusetts

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 South Africa Partners, Inc., which comprise the statement of financial position as of June 30, 2023, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2024.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Africa Partners, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of South Africa Partners, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Africa Partners, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KellyVitaleRaffol, LLC

Boston, Massachusetts
January 19, 2024



***Independent Auditors' Report on Compliance for Each Major Federal Program
and on Internal Control over Compliance Required by the Uniform Guidance***

To the Board of Directors
South Africa Partners, Inc.
Boston, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South Africa Partners, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of South Africa Partners, Inc.'s major federal programs for the year ended June 30, 2023. South Africa Partners, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, South Africa Partners, 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 June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the South Africa Partners, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of South Africa Partners, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to South Africa Partners, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on South Africa Partners, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about South Africa Partners, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 South Africa Partners, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances
- Obtain an understanding of South Africa Partners, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 South Africa Partners, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

KellyVitaleRaffol, LLC

Boston, Massachusetts
January 19, 2024

SOUTH AFRICA PARTNERS, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2023

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes _____ X None reported

Noncompliance material to financial statements noted? _____ Yes _____ X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes _____ X No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes _____ X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings that are required to be disclosed in accordance with 2 CFR Section 200.516(a)? _____ Yes _____ X No

Identification of major programs:

<i>Name of Federal Program or Cluster</i>	<i>Contract No.</i>	<i>AL Number</i>	<i>Expenditures</i>
<i>U.S. Department of Health and Human Services – Centers for Disease Control and Prevention</i>			
Global AIDS	19NU2GGH002190	93.067	\$1,466,137

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

Auditee qualified as low-risk auditee? _____ X Yes _____ No

SOUTH AFRICA PARTNERS, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2023

Section II Findings – Financial Statement Audit

No findings were noted for the year ended June 30, 2023.

Section III Findings and Questioned Costs – Major Federal Award Programs Audit

No findings were noted for the year ended June 30, 2023.

SOUTH AFRICA PARTNERS, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

<i>Grantor/Pass-Through Agency</i>	<i>Grant Number</i>	<i>AL Number</i>	<i>Federal Expenditures</i>
<i>United States Department of Health and Human Services</i>			
<i>Centers for Disease Control and Prevention</i>			
Strengthening combination prevention and testing services among inmates to reduce HIV infections and reduce morbidity and mortality in the Republic of South Africa under PEPFAR	19NU2GGH002190	93.067*	\$ 1,466,137
<i>Total United States Department of Health and Human Services Centers for Disease Control and Prevention</i>			\$ 1,466,137

* Major Program

SOUTH AFRICA PARTNERS, INC.

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2023

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of South Africa Partners, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2023. 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2. Summary of Significant Accounting Policies

(a) 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.

(b) Pass-through entity identifying numbers are presented where available.

Note 3. Indirect Cost Rate

The Organization has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.