Afghan Coalition

Financial Statements

with

Report of Independent Auditors

and

Report Required by *Government Auditing Standards*

For the year ended June 30, 2025

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WMB²
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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Report of Independent Auditors

To the Board of Directors
of Afghan Coalition

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Afghan Coalition (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Afghan Coalition as of June 30, 2025, 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 Afghan Coalition 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.

Correction of an error

As discussed in Note 11 to the financial statements, an error resulting in the understatement of amounts previously reported for contributions receivable and net assets with donor restrictions as of June 30, 2024 were discovered by management during the current year. Accordingly amounts reported for these balances have been restated in the June 30, 2024 financial statements now presented, and an adjustment has been made to increase net assets as of June 30, 2024, to correct the errors. Our opinion is not modified with respect to these matters.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Afghan Coalition's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Afghan Coalition'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 governmental awards, as required by the County of Alameda, 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 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 governmental 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 February 13, 2026 on our consideration of Afghan Coalition's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Afghan Coalition's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Afghan Coalition's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the financial statements of Afghan Coalition as of and for the year ended June 30, 2024, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which the information was derived.

WMB2, LLP

WMB^2, LLP
Larkspur, California
February 13, 2026

Afghan Coalition
Statement of Financial Position
As of June 30, 2025
with comparable totals as of June 30, 2024

	2025	Restated 2024
Assets		
Current assets		
Cash	$ 323,787	$ 440,309
Accounts receivable	21,183	26,553
Grants and contributions receivable	144,851	164,897
Other receivables	88	71
Prepaid expenses	7,031	6,313
Refundable deposits	-	475
Total current assets	496,940	638,618
Noncurrent assets		
Operating right-of-use asset	8,657	31,366
Total noncurrent assets	8,657	31,366
Total assets	$ 505,597	$ 669,984
Liabilities and net assets		
Current liabilities		
Accounts payable	$ 19,141	$ 44,451
Accrued liabilities	76,930	67,789
Current portion of operating lease liability	1,993	32,770
Total current liabilities	98,064	145,010
Long-term liabilities		
Long-term operating lease liability	6,823	-
Total long term liabilities	6,823	-
Net assets		
Without donor restrictions	370,314	437,017
With donor restrictions	30,396	87,957
Total net assets	400,710	524,974
Total liabilities and net assets	$ 505,597	$ 669,984

See accompanying notes.

Afghan Coalition

Statement of Activities and Changes in Net Assets

For the year ended June 30, 2025

with comparative totals only for the year ended June 30, 2024

	Without donor restrictions	With donor restrictions	2025 Totals	Restated 2024 Totals Only
Support and revenue				
Contributions				
Foundations	$ -	$ 31,000	$ 31,000	$ 30,085
Corporations	5,935		5,935	27,040
Individuals	6,809	1,300	8,109	3,990
Government grants and contracts				
City of Fremont	92,818	-	92,818	87,888
County of Alameda	568,484	-	568,484	790,101
Other	176,287	-	176,287	99,638
Service fees	73,738	-	73,738	68,015
Other income	20	-	20	121
In-Kind Contributions	-	-	-	440
Net assets released from restrictions	89,861	(89,861)	-	-
Total support and revenue	1,013,952	(57,561)	956,391	1,107,318
Expenses				
Programs	875,361	-	875,361	1,015,211
Supportive services				
General and administrative	201,842	-	201,842	164,295
Fundraising	3,452	-	3,452	2,772
Total expenses	1,080,655	-	1,080,655	1,182,278
Change in net assets	(66,703)	(57,561)	(124,264)	(74,960)
Net assets, beginning of year (as previously presented)	437,017	62,957	499,974	574,934
Cumulative effect from correction of an error	-	25,000	25,000	25,000
Net assets, beginning of year	437,017	87,957	524,974	599,934
Net assets, end of year	$ 370,314	$ 30,396	$ 400,710	$ 524,974

See accompanying notes.

Afghan Coalition
Statement of Functional Expenses
For the year ended June 30, 2025
with comparative totals only for the year ended June 30, 2024

	Programs	Supportive services: General and administrative	Supportive services: Fundraising	2025 Total	2024 Total
Salaries	$ 620,079	$ 77,479	$ -	$ 697,558	$ 747,215
Employee benefits	27,305	4,050	-	31,355	39,734
Payroll taxes	52,542	10,990	-	63,532	67,972
Accounting and audit	5,560	76,702	-	82,262	86,131
Client costs and incentives	7,159	79	-	7,238	27,313
Consultants	61,525	4,625	3,150	69,300	50,327
In-kind legal expenses	-	-	-	-	440
Insurance	4,776	2,041	-	6,817	6,306
Materials and training	1,307	-	-	1,307	3,218
Occupancy - lease costs	32,636	6,040	-	38,676	42,002
Occupancy - security and maintenance	1,960	444	-	2,404	2,481
Office and computer supplies	6,262	9,812	100	16,174	42,548
Printing and copying	31	43	-	74	1,458
Small Equipment - lease costs	1,652	421	-	2,073	2,261
Small Equipment - purchases and repairs	6,175	3,959	-	10,134	4,815
Taxes and licenses	-	225	-	225	125
Telecommunications	7,306	3,017		10,323	10,618
Travel and conferences	3,093	64	103	3,260	1,526
Workshop materials and outreach	35,993	1,851	99	37,943	45,788
Total expenses	$ 875,361	$ 201,842	$ 3,452	$ 1,080,655	$ 1,182,278

Overhead rate calculation	Expenses	2025	2024
Program services	$ 875,361	81.00%	85.87%
General and administrative	$ 201,842	18.68%	13.90%
Fundraising	$ 3,452	0.32%	0.23%
Base	$ 1,080,655	100.00%	100.00%

See accompanying notes.

Afghan Coalition

Statement of Cash Flows

For the year ended June 30, 2025

with comparative totals only for the year ended June 30, 2024

	2025	2024
Cash flows from (to) operating activities		
Change in net assets	$ (124,264)	$ (74,960)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Noncash portion of lease expense for operating leases	31,525	32,146
Changes in current assets and liabilities		
Accounts receivable	5,370	(7,974)
Grants and contributions receivable	20,046	98,424
Other receivables	(17)	199
Prepaid expenses	(718)	847
Refundable deposits	475	-
Accounts payable	(25,310)	17,047
Repayment of lease liability - operating lease	(32,770)	(32,183)
Accrued liabilities	9,141	8,761
Deferred revenue	-	(1,608)
Net cash (used) provided by operating activities	(116,522)	40,699
Net (decrease) increase in cash	(116,522)	40,699
Cash, beginning of year	440,309	399,610
Cash, end of year	$ 323,787	$ 440,309
Noncash investing and financing activities		
Establishing of operating right-of-use asset	$ 8,816	$ -
Establishing of operating lease liability	8,816	-

See accompanying notes.

Afghan Coalition
Notes to the financial statements
June 30, 2025

Note 1 – Organization and nature of activities

Afghan Coalition is a nonprofit California corporation that was organized as a community-based umbrella organization whose mission is to empower underserved Afghan and immigrant families, women and youth living in Southern Alameda County. Afghan Coalition provides individual case management and advocacy, wellness support groups, microenterprise training and support, interpretation services, information and referral, youth leadership development, cross-cultural celebrations and community-building events and programs. Current year funding has allowed Afghan Coalition to place greater focus on both mental health services and assistance to newly arrived Afghan refugees. Afghan Coalition earns revenues through service fees, which consist principally of amounts charged for case management, education and data collection.

Note 2 – Summary of significant accounting policies

Basis of accounting

Afghan Coalition prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Revenues are recorded when earned and expenses are recorded when the related obligation is incurred.

Cash

Cash consists of amounts on deposit with a commercial bank. These funds are insured by the Federal Deposit Insurance Corporation up to an amount not to exceed $250,000.

Receivables

Accounts receivable consist principally of amounts due from various cost reimbursement service contracts. Included in accounts receivable is retention totaling $7,040 which are amounts held back by contractors until the projects are completed.

Afghan Coalition uses the allowance method to account for uncollectible accounts receivable. Under this method, Afghan Coalition records an allowance for credit loss when collectability is uncertain based on a review of outstanding receivables, historical collection information, and existing economic conditions.

Note 2 – Summary of significant accounting policies (continued)

Receivables (continued)
When attempts to collect a specific receivable are unsuccessful, Afghan Coalition considers the account uncollectible and writes it off against the allowance. As of June 30, 2025, Afghan Coalition's management concluded that all accounts receivable are fully collectible; accordingly, no allowance for credit losses has been established.

Grants and contributions receivable consist principally of amounts due under various cost-reimbursement government grants for which the qualifying expenditures have been incurred and the grantors have been billed.

Afghan Coalition uses the allowance method to account for uncollectible grants and contributions receivable. Under this method, Afghan Coalition records an allowance for doubtful accounts based on a review of outstanding receivables, historical collection information, and existing economic conditions. When attempts to collect a specific receivable are unsuccessful, Afghan Coalition considers the account uncollectible and writes it off against the allowance. As of June 30, 2025, Afghan Coalition's management concluded that all grants and contributions are fully collectible; accordingly, no allowance for doubtful accounts has been established.

Right-of-use assets and lease liabilities
Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of use asset is the lease liability adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring Afghan Coalition's right-of-use assets and lease liabilities. Lease and non-lease components (if any) are accounted for separately. Operating lease expense is allocated over the remaining lease term on a straight-line basis.

Afghan Coalition considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability.

Note 2 – Summary of significant accounting policies (continued)

Furniture and equipment
Purchases of furniture and equipment are recorded at cost. Donated furniture and equipment are stated at fair value and are depreciated on the straight-line method over estimated useful lives. Afghan Coalition usually expenses outlays of under $2,500 in the period incurred.

Net assets
Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Afghan Coalition reports contributions restricted by donors as increases in net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Afghan Coalition reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue and revenue recognition
Contributions are recognized when cash, securities, other assets, or an unconditional grant or contribution is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or explicitly waived by the donor. Revenue is recognized on the date the condition is met.

Note 2 – Summary of significant accounting policies (continued)

Revenue recognition (continued)
Revenue from cost-reimbursable grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures, are recognized as revenue when Afghan Coalition has incurred expenditures in compliance with specific contract or grant provisions or when the performance obligations are met and delivered. Amounts received prior to incurring qualifying expenditures or providing related services are reported as deferred revenues in the statement of financial position. Afghan Coalition received cost-reimbursable grants of $853,038 that have not been recognized at June 30, 2025 because qualifying expenditures have not yet been incurred.

Revenue from service fees are recognized over time as the related services are performed.

In-kind contributions
Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services are recognized when received if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Afghan Coalition does not sell donated gifts-in-kind. During the year ended June 30, 2025, Afghan Coalition did not receive any in-kind contributions.

Income taxes
Afghan Coalition has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and from California bank and corporation taxes under Section 23701(d) of the California Revenue and Taxation Code. Therefore, no provision for federal or California income tax is reflected in the accompanying financial statements. Afghan Coalition has been classified as a publicly supported organization as described in Section 509(a)(1) of the Internal Revenue Code. Accordingly, donors are entitled to the maximum charitable contribution deduction allowed by law. Afghan Coalition follows U.S. GAAP relating to the accounting for uncertainty in income taxes. Management believes that Afghan Coalition has adequately addressed all tax positions and that there are no unrecorded liabilities. Tax years 2022 to 2024 are open for examination by the Internal Revenue Service and years 2021 to 2024 by the California Franchise Tax Board.

Note 2 – Summary of significant accounting policies (continued)

Financial instruments and credit risk
Financial instruments that potentially subject Afghan Coalition to credit risk consist principally of cash on deposit. Afghan Coalition maintains its cash balances at a major financial institution. Management believes that Afghan Coalition is not exposed to any significant credit risk with respect to these accounts. Credit risk associated with grants and contracts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of Afghan Coalition's mission.

Allocation of functional expenses
The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, expenses have been charged to program or supporting service classifications based on direct expenditures incurred. Any expenditure not directly chargeable is allocated among program and service classifications based on relative benefit. The expenses that are allocated include occupancy, which are allocated on either direct program use or for shared expenses on the basis of estimates of time and effort, as well as personnel costs, professional services, office expenses, insurance and other, which are allocated on the basis of estimates of time and effort.

Use of estimates
The preparation of financial statements in conformity with U.S. GAAP requires Afghan Coalition to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Prior year totals
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S GAAP. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2024, from which Afghan Coalition derived the summarized information.

Afghan Coalition
Notes to the financial statements
June 30, 2025

Note 2 – Summary of significant accounting policies (continued)

Reclassifications
Certain prior year amounts have been reclassified to be consistent with the current year's presentation.

Note 3 – Receivables

Receivables at June 30 consist of the following:

Contracts with customers	
International Institute of Los Angeles	$ 17,850
Korean Community Center of the East Bay	3,333
Total accounts receivable	$ 21,183
Cost reimbursement grants	
County of Alameda	$ 76,094
County of Alameda (pass-through Alameda County Community Food Bank Inc.)	499
Public Health Institute	21,855
State of California	7,462
City of Fremont	12,441
Contributions	26,500
Total grants and contributions receivable	$ 144,851

Afghan Coalition
Notes to the financial statements
June 30, 2025

Note 4 – Accrued liabilities

Accrued liabilities at June 30 consist of the following:

Payroll payable	$ 28,380
Accrued vacation	33,063
Audit fees and other payables	15,487
Total	$ 76,930

Note 5 – Contracts with customers

Revenue from contracts with customers for the year ended June 30, 2025 reconcile as follows:

Revenue from contracts with customers	
International Institute of Los Angeles	$ 70,405
Korean Community Center of the East Bay	$ 3,333
Total	$ 73,738

Receivables and liabilities from contracts with customers for the year ended June 30, 2025 reconcile as follows:

	Accounts Receivable	Deferred revenue
Contracts with customers	$ 21,183	-
Total	$ 21,183	$ -

Note 6 – Retirement plan

Afghan Coalition has established a retirement plan under section 403(b) of the Internal Revenue Code. Newly hired employees are eligible immediately upon hire. Afghan Coalition automatically enrolls newly eligible employees, with a deferral rate of 7%, unless the newly eligible employee affirmatively elects a different percentage, including zero. Effective August 5, 2022, the Plan provides for safe harbor matching contributions. A safe harbor matching contribution is allocated in an amount equal to 100% of the participant's matched employee contributions that are not in excess of 5% of the participant compensation. Employees are 100% vested in the safe harbor allocation. During the year ended June 30, 2025, Afghan Coalition contributed $31,355.

Note 7 – Net assets with donor restrictions

During the year ended June 30, 2025, net assets with donor restrictions reconcile as follows:

	June 30, 2024	Additions	Releases	June 30, 2025
Purpose restricted:				
Women's programs	$ 26,454	$ 25,000	$ (25,249)	$ 26,205
Afghan refugee program	61,503	1,300	(58,612)	4,191
Health fair	-	6,000	(6,000)	-
	$ 87,957	$ 32,300	$ (89,861)	$ 30,396

Note 8 – Liquidity and availability of financial assets

The following reflects Afghan Coalition's financial assets as of the statement of financial position date of June 30, 2025. As of this date, there were no contractual or donor-imposed restrictions within one year of the statement of financial position date.

Note 8 – Liquidity and availability of financial assets (continued)

Financial assets, at year end:	
Cash	$ 323,787
Receivables	166,122
	489,909
Financial assets available to meet cash needs for general expenditures within one year	$ 489,909

Note 9 – Leases

Afghan Coalition has entered into multiple noncancellable short-term and long-term operating leases mainly for program use including one long-term lease dedicated to both administrative and program duties.

Afghan Coalition has an operating equipment lease that will expire in May 2030. The lease requires monthly payments of $243 including maintenance expenses of $161 a month.

Afghan Coalition leases office space from the City of Fremont. The lease expired in June 2025 and had no option to extend. The lease is currently on a month-to-month basis. In addition, Afghan Coalition rents program space under various short-term (month-to-month or one-year) lease or under space rental arrangements rented on a daily basis.

Lease costs for the year ended June 30, 2025 reconcile as follows:

	Facility	Equipment	Total
Operating lease cost	$ 31,835	$ 2,073	$ 33,908
Short-term lease costs			
12 months or less	6,000	-	6,000
Month-to-month	841	-	841
Total lease costs	$ 38,676	$ 2,073	$ 40,749

Note 9 – Leases (continued)

During the year ended June 30, 2025, the facility operating lease cost is included in the statement of functional expenses under occupancy-lease costs totaling $38,676. During the year ended June 30, 2025, the equipment operating lease cost is included in the statement of functional expenses under small equipment-lease costs totaling $2,073.

Under U.S. GAAP, operating lease expense is recognized on a straight-line basis over the remaining lease term. Afghan Coalition had no variable lease expense during the year June 30, 2025.

The future minimum lease payments under the non-cancellable operating leases with a term greater than one year is listed below as of June 30, 2025:

Year ending June 30,	Equipment
2026	$ 2,017
2027	1,921
2028	1,921
2029	1,922
2030	1,761
Total lease payments	9,542
Less present value discount	(726)
Total lease liability	8,816
Less current portion	1,993
Long-term lease liability	$ 6,823

The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2025 was 4.09%.

As of June 30, 2025, the weighted-average remaining lease term for operating leases was approximately 4.92 years.

Note 10 – Concentrations, risks and uncertainties

Afghan Coalition has received support that may be subject to audit or review by the grantor agencies. Management believes that Afghan Coalition has complied with all aspects of grant and contract provisions and disallowed costs, if any, would be insignificant to its financial position.

Afghan Coalition receives a significant portion of its revenues from cost reimbursement contracts with the City of Fremont and the County of Alameda. For the year ended June 30, 2025, contracts with the City of Fremont represented approximately 10% of Afghan Coalition's total support and revenue. For the year ended June 30, 2025, contracts with the County of Alameda (including a pass-through contract) represented approximately 61% of Afghan Coalition's total support and revenue. For the year ended June 30, 2025, government contracts represented approximately 88% of total support and revenue. These resources are available dependent upon government funding and budgeting. Afghan Coalition is annually subject to the risk of losing these contracts.

Note 11 – Correction of an error

During the year ended June 30, 2025, the management of Afghan Coalition evaluated a contribution received on October 2024 and discovered that the funds were payment for a promise to give awarded to Afghan Coalition during the fiscal year ended June 30, 2024, but not recorded as a receivable. Thus, contribution receivable and net assets with donor restrictions at June 30, 2024 was understated by $25,000. Similarly, Afghan coalition evaluated a contribution received on July 2023 and discovered that the funds were payment for a promise to give awarded to Afghan Coalition during the year ended June 30, 2023, but not recorded as a receivable at June 30, 2023. Thus, contribution receivable, contribution revenue and net assets with donor restrictions at June 30, 2023 were understated by $25,000.

Note 11 – Correction of an error (continued)

As a net result of the errors noted above, net assets at June 30, 2024 were understated by a total of $25,000. Accordingly, Afghan Coalition has corrected its previous presentation and retrospectively adjusted certain amounts previously presented in its financial statements as noted below:

	FY 24		
Statement and item	As previously reported	Restated	Change
Financial Position			
Grants and contributions receivable	$ 139,897	$ 164,897	$ 25,000
Total assets	644,984	669,984	25,000
Net assets, with donor restrictions	62,957	87,957	25,000
Net assets, total	499,974	524,974	25,000
Total liabilities and net assets	644,984	669,984	25,000
Statement of Activities			
Net assets, end of the year - with donor restrictions	62,957	87,957	25,000
Net assets, end of the year - total	499,974	524,974	25,000

Note 12 – Complaint with the California Civil Rights Department

On December 12, 2025, a former employee filed an administrative retaliation complaint with the California Civil Rights Department. Management is of the opinion that the claims are without merit. Legal counsel is unable to state that an outcome unfavorable to Afghan Coalition is either probable or remote, nor can they provide an estimate of the amount or range of potential loss in the event of an unfavorable outcome. However, a settlement amount (if any) will be paid directly by the insurance carrier and will not create a financial obligation for Afghan Coalition, no liability or expense has been recognized in the accompanying financial statements.

Note 13 – Subsequent events

Management of Afghan Coalition evaluated subsequent events for recognition and disclosure through February 13, 2026, the date which these financial statements were available to be issued. Except as disclosed on note 12, management concluded that no other material subsequent events have occurred since June 30, 2025 that required recognition or disclosure in these financial statements.

Afghan Coalition

Schedule of Expenditures of Governmental Awards

For the year ended June 30, 2025

	Sources, agencies and programs	ALN	Contract number	Contract period	Awarded	Expenditures
	Federal					
	Department of Housing and Urban Development					
A	Microenterprise Development Services - Building Economic Empowerment and Opportunities for Immigrant Women and their families	14.218	CFY 24-25 CDBG SS	7/1/24-6/30/25	$ 50,000	$ 50,000
	Department of Health and Human Services					
B	Refugee and Afghan Humanitarian Parolee and Special Immigrant Visa (SIV) Mental Health Institute	93.566	04705-AR76713	11/28/22-6/30/25	180,000	56,325
B	Center Immigration & Refugee Health	93.566	06537-AR73565	7/1/24-6/30/25	100,000	100,000
	Total federal				$ 330,000	$ 206,325
	State and local					
	County of Alameda, California					
	Mental Health - Afghan Mental Health Project		900714/ 24893	7/1/23-6/30/26	$ 1,777,834	$ 568,484
C	Social Services - CALFresh Advocacy and Outreach		CFY 24-25 Cal Fr	10/1/24-6/30/25	12,500	12,500
	City of Fremont, California					
	Social Services - Afghan Community Support		CFY 24-25 SS	7/1/24-6/30/25	42,818	42,818
	State of California					
	Employment Training Panel - SEED Initiative		M113892-7100	5/1/25-4/30/26	200,000	7,462
	Total state and local				$ 2,033,152	$ 631,264
	Total expenditures				$ 2,363,152	$ 837,589

A The pass-through agency for the Department of Housing and Urban Development is the City of Fremont.

B The pass-through agency for the Department of Health and Human Services is the California Department of Public Health. The pass-through agency for the Department of Public Health is the Public Health Institute.

C The pass-through agency for the County of Alameda Social Services Agency is the Alameda County Community Food Bank

Notes to the Schedule of Expenditures of Government Awards (SEGA)

Basis of presentation

The accompanying schedule of expenditure of government awards (Schedule) includes the federal award activity of Afghan Coalition, under programs of the federal government for the year ended June 30, 2025. 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 Afghan Coalition, it is not intended to and does not present the financial position, changes in net assets or cash flows of Afghan Coalition.

Summary of significant policies

(1) 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.

(2) Afghan Coalition has elected to use the 15% de minims indirect cost rate allowed under the Uniform Guidance.

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Report of Independent Auditors 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
of Afghan Coalition

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 Afghan Coalition (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated February 13, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Afghan Coalition's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of Afghan Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Afghan Coalition'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items (2025-001) that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Afghan Coalition's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items (2025-001).

Afghan Coalition's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Afghan Coalition's response to the findings identified in our audit and described in the accompanying schedule of findings. Afghan Coalition's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

WMB2, LLP

WMB^2, LLP
Larkspur, California
February 13, 2026

Afghan Coalition
Schedule of Findings
Year ended June 30, 2025

Section I – Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

Section II – Findings – Significant deficiency:

2025-001 Grant revenue recognition

Condition: Contribution revenue was improperly recognized, necessitating a restatement.

Criteria: The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. It clarifies whether to account for grants and contracts as exchange transactions or contributions. It clarifies and improves the scope and accounting guidance for contributions received and made, specifically distinguishing between conditional and unconditional contributions. Afghan Coalition did not comply with these requirements.

Cause: Afghan Coalition misunderstood the grant as having conditions that required Afghan Coalition to meet before recording revenue.

Effect: Accounts receivable and net assets as of June 30, 2024 were understated by $25,000.

Recommendation: Afghan Coalition staff should familiarize with ASU 2018-08 when reviewing grant agreements and if necessary, inquire grantor as to any restrictions or conditions.

Views of Responsible Officials and Planned Corrective Actions: Refer to Afghan Coalition's Corrective Action Plan.

Corrective Action Plan

Findings – Financial Statement Audit

Significant Deficiency

2025-001 Grant revenue recognition

Finding: Contribution revenue was improperly recognized, necessitating a restatement.

Management's Assessment & Corrective Actions: Afghan Coalition management concurs with the finding and has agreed to restate the June 30, 2024 financial statements.

Corrective Action Plan: Afghan Coalition staff will familiarize with ASU 2018-08 revenue recognition guidance and correct misstatements by making appropriate adjustments to the affected financial statements.

Responsible Official: Rona Popal, Executive Director

X_______________________

02/13/2026

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