

**INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
FINANCIAL STATEMENTS
AND FEDERAL SINGLE AUDIT
YEARS ENDED
DECEMBER 31, 2018 AND 2017**

INTEGRATED REGUFEE &
IMMIGRANT SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Integrated Refugee & Immigrant Services, Inc.
New Haven, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of Integrated Refugee & Immigrant Services, Inc., which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities, functional expenses, and cash flows 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Integrated Refugee & Immigrant Services, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncement

As described in Note 1 to the financial statements, the Organization implemented Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities* effective January 1, 2018. Our opinion is not modified with respect to that matter.

Other Matters

Other 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2019, on our consideration of the Integrated Refugee & Immigrant Services, 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 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 Integrated Refugee & Immigrant Services, Inc.'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 Integrated Refugee & Immigrant Services, Inc.'s internal control over financial reporting and compliance.

Beers, Hamerman, Cohen & Burger, P.C.

New Haven, Connecticut
June 11, 2019

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 1,201,784	\$ 556,458
Grants Receivable	46,077	234,394
Promises-to-Give	67,367	93,886
Prepaid Expenses	24,808	11,623
Other Receivables	8,780	2,000
Property and Equipment - Net	27,182	25,867
Security Deposit	<u>2,400</u>	<u>2,000</u>
TOTAL ASSETS	<u>\$ 1,378,398</u>	<u>\$ 926,228</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 104,121	\$ 94,760
Deferred revenue	<u>11,358</u>	<u>7,903</u>
Total Liabilities	<u>115,479</u>	<u>102,663</u>
Net Assets		
Without donor restrictions	802,475	645,553
With donor restrictions	<u>460,444</u>	<u>178,012</u>
Total Net Assets	<u>1,262,919</u>	<u>823,565</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,378,398</u>	<u>\$ 926,228</u>

See accompanying notes to the financial statements.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2018			Year Ended December 31, 2017		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Revenue and Support						
Grant revenue and clinic fees						
Federal pass-through grants:						
State Department of Social Services	\$ 499,541	\$ -	\$ 499,541	\$ 433,962	\$ -	\$ 433,962
Episcopal Migration Ministries	298,639	-	298,639	423,032	-	423,032
Church World Service	24,780	-	24,780	373,228	-	373,228
City of New Haven	6,935	-	6,935	3,668	-	3,668
Department of Public Health	27,123	-	27,123	28,137	-	28,137
Preferred Communities	133,327	-	133,327	72,760	-	72,760
Other contributions and grants	869,405	729,873	1,599,278	721,757	589,140	1,310,897
Immigration and legal fee income	11,500	-	11,500	12,888	-	12,888
Special events income	169,601	-	169,601	314,852	-	314,852
Less: cost of direct benefits to donors	(62,570)	-	(62,570)	(48,902)	-	(48,902)
Net assets released from restrictions						
Restrictions satisfied by payments	368,209	(368,209)	-	370,544	(370,544)	-
Restrictions satisfied by passage of time	79,232	(79,232)	-	268,444	(268,444)	-
Total Revenue and Other Support	<u>2,425,722</u>	<u>282,432</u>	<u>2,708,154</u>	<u>2,974,370</u>	<u>(49,848)</u>	<u>2,924,522</u>
Operating Expenses						
Program	1,766,665	-	1,766,665	2,301,277	-	2,301,277
Management and general	338,427	-	338,427	330,216	-	330,216
Fundraising	168,711	-	168,711	140,368	-	140,368
Total Operating Expenses	<u>2,273,803</u>	<u>-</u>	<u>2,273,803</u>	<u>2,771,861</u>	<u>-</u>	<u>2,771,861</u>
Other Income (Expense)						
Interest income	4,095	-	4,095	1,103	-	1,103
Gain (loss) on disposal of equipment	908	-	908	(4,459)	-	(4,459)
Total Other Income (Expense)	<u>5,003</u>	<u>-</u>	<u>5,003</u>	<u>(3,356)</u>	<u>-</u>	<u>(3,356)</u>
Change in Net Assets	156,922	282,432	439,354	199,153	(49,848)	149,305
Net Assets, Beginning of Year	<u>645,553</u>	<u>178,012</u>	<u>823,565</u>	<u>446,400</u>	<u>227,860</u>	<u>674,260</u>
Net Assets, End of Year	<u>\$ 802,475</u>	<u>\$ 460,444</u>	<u>\$ 1,262,919</u>	<u>\$ 645,553</u>	<u>\$ 178,012</u>	<u>\$ 823,565</u>

See accompanying notes to the financial statements.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2018				Year Ended December 31, 2017			
	Program	Management & General	Fundraising	Total	Program	Management & General	Fundraising	Total
Salaries	\$ 981,475	\$ 205,955	\$ 105,746	\$ 1,293,176	\$ 1,176,088	\$ 213,691	\$ 90,666	\$ 1,480,445
Direct client aid	303,453	-	-	303,453	620,005	-	-	620,005
Employee benefits and payroll taxes	205,046	40,321	21,469	266,836	234,043	42,526	18,043	294,612
Rent	74,414	15,616	8,018	98,048	79,203	14,391	6,106	99,700
Office expenses	65,599	13,766	7,068	86,433	68,956	12,530	5,317	86,803
Program consultants	43,298	-	-	43,298	50,239	-	-	50,239
Direct program expenses	47,973	-	-	47,973	29,484	-	-	29,484
Professional fees	-	56,377	-	56,377	-	39,668	-	39,668
Travel	5,420	1,138	585	7,143	14,599	2,653	1,126	18,378
Events	7,803	-	24,222	32,025	-	-	18,169	18,169
Equipment rental and maintenance	11,264	2,134	-	13,398	15,057	2,541	-	17,598
Insurance	8,862	1,861	956	11,679	6,185	1,124	477	7,786
Depreciation	5,996	1,259	647	7,902	6,007	1,092	464	7,563
Professional development	6,062	-	-	6,062	1,411	-	-	1,411
	<u>\$ 1,766,665</u>	<u>\$ 338,427</u>	<u>\$ 168,711</u>	<u>\$ 2,273,803</u>	<u>\$ 2,301,277</u>	<u>\$ 330,216</u>	<u>\$ 140,368</u>	<u>\$ 2,771,861</u>

See accompanying notes to the financial statements.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
STATEMENTS OF CASH FLOWS

	Year Ended	
	December 31,	
	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 439,354	\$ 149,305
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,902	7,563
(Gain) loss on disposal of equipment	(908)	4,459
Donated vehicle	-	(3,000)
Donated leasehold improvements	(11,006)	-
Changes in operating assets and liabilities:		
Grants receivable	188,317	(4,744)
Promises to give	26,519	(7,084)
Prepaid expenses	(13,185)	19,901
Other receivables	(4,083)	(2,000)
Security deposit	(400)	
Accounts payable and accrued expenses	9,361	5,421
Refundable advance	-	(54,542)
Deferred revenue	3,455	7,903
Net Cash Provided by Operating Activities	<u>645,326</u>	<u>123,182</u>
Cash Flows From Investing Activities		
Purchase of equipment	-	(1,160)
Repayments of employee advance	-	6,000
Net Cash Provided by Investing Activities	<u>-</u>	<u>4,840</u>
Change in Cash	645,326	128,022
Cash, Beginning of Year	<u>556,458</u>	<u>428,436</u>
Cash, End of Year	<u>\$ 1,201,784</u>	<u>\$ 556,458</u>
Supplemental Cash Flow Information		
Purchase of assets included in accounts payable	<u>\$ -</u>	<u>\$ 4,394</u>

See accompanying notes to the financial statements.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Integrated Refugee & Immigrant Services, Inc. (Organization) is a non-profit voluntary health and welfare organization; it was previously named Episcopal Social Services of the Diocese of Connecticut, Inc. (ESS). The Organization's primary purpose is to aid in the resettlement of refugees; in 2018 its clients were primarily from Africa and the Middle East. The Organization is supported primarily through government grants and contributions from individuals, community groups, and faith-based groups.

Until July 1, 2018, ESS was an official human service agency of the Episcopal Church in Connecticut. An independent non-profit organization named Integrated Refugee & Immigrant Services, Inc. (IRIS) was created effective March 10, 2015. Certain net assets of ESS were transferred to IRIS as of January 1, 2018. Effective July 1, 2018, ESS amended and restated its Certificate of Incorporation; IRIS merged with and into ESS, with ESS as the surviving corporation. ESS then changed its name to Integrated Refugee & Immigrant Services, Inc.

Adoption of New Accounting Pronouncement

On August 18, 2016, the FASB issued Accounting Standards Update 2016-14, Presentation of Financial Statements of Not-For-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to comparative periods presented. The new standards change the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure requiring the qualitative and quantitative information about liquidity and availability of resources (see Note 2).

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts. Accounts at financial institutions are secured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2018 and 2017 amounts in excess of the insurance limits totaled \$260 and \$46,085, respectively.

Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are stated at cost or fair value if donated and depreciated using the straight-line method over the estimated useful lives of the assets, which are five years for furniture and equipment, and vehicles. The Organization's capitalization threshold is \$1,000.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Deferred Revenue and Refundable Advances

Income from future special events is deferred and recognized when the event occurs. Grant awards identified as exchange transactions are recorded as refundable advances and recognized as revenue when the related services are performed.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributions

Contributions are defined as voluntary, non-reciprocal transfers. Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted support is reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Grants and Accounts Receivable

Grants and accounts receivable, which principally represent monies due from grantors and other third parties, are stated net of an allowance for doubtful accounts when applicable. Allowances for grants receivable are determined by management based on an assessment of their collectability. Management considers past history, current economic conditions and overall viability of the third party when considering the need for an allowance. Receivables are written off when management determines amounts will not be collected. Management determined that no allowance was necessary as of December 31, 2018 and 2017.

Government Grants

Revenue from governmental agencies represent monies received on contracts with various state or federal agencies for services provide by the Agency to their clients. The contracts are generally for periods of one year or more and can be cancelled by either party. Revenue under these contracts are recorded when eligible expenses are incurred.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Donated Services

The Organization recognizes donated services that will create or enhance nonfinancial assets, or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, 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 these estimates.

Reclassifications

Prior period financial statement amounts have been reclassified to conform to current period presentation.

NOTE 2 - LIQUIDITY

The operations and programs of the Organization are primarily funded by governmental grants and private contributions. The Organization reviews its operations on a weekly basis and monitors cash flows accordingly. Most of the government agencies have contracted grants through September 2019 and the Organization is expecting to continue provide the services that the federal agencies are funding. The public support revenues are unpredictable for the future, however the same programs are planned to occur in 2019 as in 2018.

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 - LIQUIDITY – (CONTINUED)

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,201,784	\$ 556,458
Grants receivable	46,077	234,394
Promises to give	67,367	93,886
Prepaid and other assets	24,808	11,623
Other receivables	<u>8,780</u>	<u>2,000</u>
	1,348,816	898,361
Less amounts not available to be used within one year:		
Net assets with donor restrictions	460,444	178,012
Less net assets with time restrictions to be met in less than a year	(23,021)	(38,679)
Less net assets with purpose restrictions to be met in less than a year	<u>(437,423)</u>	<u>(59,638)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,348,816</u>	<u>\$ 818,666</u>

NOTE 3 - DONATIONS IN KIND

Donations in kind consist of the following:

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
Professional services	\$ 34,292	\$ 34,777
Leasehold improvements	11,006	-
Office furniture	-	1,485
Vehicles	<u>-</u>	<u>3,000</u>
	<u>\$ 45,298</u>	<u>\$ 39,262</u>

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	December 31,	
	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 14,273	\$ 14,273
Leasehold improvements - in progress	11,006	-
Vehicles	32,970	35,656
Less: accumulated depreciation	<u>(31,067)</u>	<u>(24,062)</u>
	<u>\$ 27,182</u>	<u>\$ 25,867</u>

NOTE 5 - OPERATING LEASES

The Organization leases its facility located in New Haven, Connecticut. Monthly rent expense under the lease is \$6,810. As part of the lease, the Organization also rents additional storage space for \$600 per month. In November 2018, the Organization renewed their office lease agreement. The lease period is November 1, 2018 through April 30, 2019. Beginning in May 2019, the Organization is renting their office space on a month to month basis. Monthly rent expense and all other terms of the previous lease agreement remain unchanged.

The Organization also leases two copiers and a mail machine. The monthly lease expense for each copier is \$194 and \$134, and the quarterly lease expense for the mail machine is \$162.

The future minimum lease payments are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2019	\$ 34,236
2020	4,595
2021	1,773
2022	<u>536</u>
	<u>\$ 41,140</u>

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions consist of the following:

	December 31,	
	<u>2018</u>	<u>2017</u>
Educational outreach	\$ 188,248	\$ 7,129
Immigration legal services	60,770	-
Music project	43,688	46,844
Employment services and job creation	38,611	13,990
Direct client assistance	27,580	343
Run for Refugees sponsorships and donations for 2019 and 2018, respectively	23,021	38,679
Other restricted purposes	15,066	9,760
Mental health and wellness	13,643	7,754
New office space	11,462	6,477
Community outreach	10,018	4,934
Community engagement	9,601	10,507
Designated families	9,492	19,431
Co-sponsorship	7,328	114
Operations - structural improvement	1,916	10,000
Housing subsidies	-	2,050
	<u>\$ 460,444</u>	<u>\$ 178,012</u>

NOTE 7 - EMPLOYEE BENEFIT PLAN

The Organization participates in the pension plan of the Episcopal Diocese of Connecticut, which is a defined contribution plan covering employees who: 1) are over 21, 2) have worked for the Organization for 12 months, and 3) work over 1,000 hours per year. Pension costs are determined as five (5%) percent of eligible employee compensation and a match of employee contributions up to four (4%) percent. Pension expense was \$80,935 and \$81,394 for the years ended December 31, 2018 and 2017, respectively. All employer contributions are immediately vested to the employees.

NOTE 8 - CONCENTRATIONS

Economic Dependence

The Organization derives substantial portions of its revenue from federal grants passed through various state agencies and church related entities. Should the relationship with any of these organizations be jeopardized or these organizations lose their own funding sources, it is possible the Organization would be unable to continue in its current size and scope.

For the years ended December 31, 2018 and 2017, approximately 37% and 46% of all revenue and support was from government grants.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 9 - COMMITMENTS AND CONTINGENCIES

As part of its mission, the Organization has become a party to various leases for its clientele. As of December 31, 2018, the Organization is a party to 16 leases which range from \$660 to \$1,350 per month. The leases expire at various dates, the latest being November 30, 2019.

Financial awards from governmental entities in the form of grants and fees are subject to a 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.

NOTE 10 - SUBSEQUENT EVENTS

On February 7, 2019, the Organization received a contribution from a donor in an amount of \$1,000,000 to fund a permanent endowment. The first payment of \$200,000 was received in April 2019, and additional payments of \$200,000 will be made on the next four anniversaries of the date of the contribution. Under the contribution award agreement, the Organization may withdraw an amount equal to up to 5% of the fair market value of the endowment fund annually.

The Organization did not have any additional subsequent events through June 11, 2019, which is the date the financial statements were available to be issued.

FEDERAL SINGLE AUDIT



Beers, Hamerman, Cohen & Burger, PC
Certified Public Accountants and Business Consultants

Audit
Tax
Advisory
Assurance
Valuation
Litigation Support

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

To the Board of Directors of
Integrated Refugee & Immigrant Services, Inc.
New Haven, Connecticut

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 Integrated Refugee & Immigrant Services, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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.

Beers, Hamerman, Cohen & Burger, P.C.

New Haven, Connecticut

June 11, 2019



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors of
Integrated Refugee & Immigrant Services, Inc.
New Haven, Connecticut

Report on Compliance for Each Major Federal Program

We have audited Integrated Refugee & Immigrant Services, Inc.'s (Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2018. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

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Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of 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.

Beers, Hamerman, Cohen & Burger, P.C.

New Haven, Connecticut
June 11, 2019

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018

Federal Grantor/ Pass-through Grantor/ Program	Pass-through Entity ID Number	Federal CFDA Number	<u>Expenditures</u>
<u>Department of State</u>			
United States Refugee Admissions Program		19.510	
Pass through from Church World Service	SPRMCO18CA0010		\$ 24,780
Pass through from Episcopal Migration Ministries	SPRMCO-CA-18-0008		<u>298,639</u>
<i>Total Department of State</i>			<u>323,419</u>
<u>Department of Health and Human Services</u>			
Refugee and Entrant Assistance - Discretionary Grants		93.576	
Pass through from the State of Connecticut Department of Social Services - TAG	16DSS4811JI/064-1JI-RAP-02		53,247
Pass through from the State of Connecticut Department of Public Health - ORR	2018-0048		27,123
Pass through from Episcopal Migration Ministries	90RP0115-02-00		<u>133,327</u>
<i>Total Discretionary Grants</i>			<u>213,697</u>
Refugee and Entrant Assistance - State Administered Programs		93.566	
Refugee cash and medical assistance and refugee social services			
Pass through from the State of Connecticut Department of Social Services:			
RSS	16DSS4801JI/064-1JI-RAP10		311,511
RSIG	16DSS4801JI/064-1JI-RAP10		79,997
TAG Formula	16DSS4801JI/064-1JI-RAP10		<u>54,786</u>
<i>Total State Administered Programs</i>			<u>446,294</u>
<i>Total Department of Health and Human Services</i>			659,991
<u>Department of Housing and Urban Development</u>			
Pass through from the City of New Haven, Connecticut Community Development Block Grants/Entitlement Grants	40180032-01-FY2018	14.218	<u>6,935</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 990,345</u>

See accompanying notes to this schedule.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Integrated Refugee & Immigrant Services, Inc. (Organization), under programs of the federal government for the year ended December 31, 2018. 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

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.

NOTE 3 - INDIRECT COST RATE

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

NOTE 4 - SUB-RECIPIENTS

There were no awards passed through to sub-recipients for the year ending December 31, 2018.

INTEGRATED REFUGEE &
IMMIGRANT SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2018

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant deficiencies identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified? Yes None Reported

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

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

Major federal programs:

Federal Grantor/ Pass-through Grantor/ Program	Federal CFDA Number	Expenditures
<u>Department of Health and Human Services</u>		
Refugee cash and medical assistance and refugee social services	93.566	
Pass through from the State of Connecticut Department of Social Services:		
RSS		\$ 311,511
RSIG		79,997
TAG Formula		<u>54,786</u>
		<u>\$ 446,294</u>

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

Auditee qualified as low-risk auditee? No