

**INTEGRATED REFUGEE &  
IMMIGRANT SERVICES, INC.  
FINANCIAL STATEMENTS  
AND FEDERAL SINGLE AUDIT  
YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

INTEGRATED REGUFEE &  
IMMIGRANT SERVICES, INC.

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

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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 Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Integrated Refugee & Immigrant Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Integrated Refugee & Immigrant Services, Inc. as of December 31, 2022, 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 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. 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 Integrated Refugee & Immigrant Services, 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 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 Integrated Refugee & Immigrant Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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### ***Auditor's 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 Integrated Refugee & Immigrant Services, 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, that raise substantial doubt about Integrated Refugee & Immigrant Services, 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 September 29, 2023, on our consideration of 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  
September 29, 2023

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

	December 31,	
	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,236,020	\$ 2,482,261
Grants Receivable	2,866,703	1,014,021
Promises to Give	363,043	1,543,488
Prepaid Expenses	91,739	164,183
Other Receivables	5,493	10,901
Endowment Investments	1,086,735	846,636
Property and Equipment - Net	64,897	82,426
Database Under Development	52,400	-
Security Deposit	<u>6,217</u>	<u>3,300</u>
TOTAL ASSETS	<u>\$ 6,773,247</u>	<u>\$ 6,147,216</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 430,338	\$ 371,598
Deferred revenue	<u>52,332</u>	<u>6,977</u>
Total Liabilities	<u>482,670</u>	<u>378,575</u>
Net Assets		
Without donor restrictions	4,168,298	3,728,527
With donor restrictions	<u>2,122,279</u>	<u>2,040,114</u>
Total Net Assets	<u>6,290,577</u>	<u>5,768,641</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,773,247</u>	<u>\$ 6,147,216</u>

See accompanying notes to the financial statements.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Operating Revenue and Support						
Grant revenue and clinic fees						
Federal passthrough grants:						
State Department of Social Services	\$ 2,470,139	\$ -	\$ 2,470,139	\$ 938,989	\$ -	\$ 938,989
Episcopal Migration Ministries	-	-	-	295,807	-	295,807
Church World Services	1,836,107	-	1,836,107	601,839	-	601,839
City of New Haven	5,326	-	5,326	32,058	-	32,058
Preferred Communities	592,139	-	592,139	121,269	-	121,269
Other contributions and grants	2,470,280	1,222,050	3,692,330	3,601,690	1,398,268	4,999,958
Contributions of nonfinancial assets	61,759	-	61,759	747,960	-	747,960
Immigration and legal fee income	11,995	-	11,995	13,740	-	13,740
Interest and dividends	1,675	25,355	27,030	1,290	17,374	18,664
Special events income	81,006	118,377	199,383	62,824	132,340	195,164
Less: cost of direct benefits to donors	(70,700)	-	(70,700)	(45,440)	-	(45,440)
Net assets released from restrictions						
Restrictions satisfied by payments	955,297	(955,297)	-	950,178	(950,178)	-
Restrictions satisfied by passage of time	143,064	(143,064)	-	112,049	(112,049)	-
Total Revenue and Other Support	<u>8,558,087</u>	<u>267,421</u>	<u>8,825,508</u>	<u>7,434,253</u>	<u>485,755</u>	<u>7,920,008</u>
Operating Expenses						
Program	7,216,844	-	7,216,844	4,857,168	-	4,857,168
Management and general	611,188	-	611,188	470,314	-	470,314
Fundraising	290,160	-	290,160	251,465	-	251,465
Total Operating Expenses	<u>8,118,192</u>	<u>-</u>	<u>8,118,192</u>	<u>5,578,947</u>	<u>-</u>	<u>5,578,947</u>
Other Income						
Realized and unrealized (losses) gains on investments	(124)	(185,256)	(185,380)	989	103,745	104,734
Forgiveness of Federal Paycheck Protection Program loan	-	-	-	721,520	-	721,520
Total Other Income	<u>(124)</u>	<u>(185,256)</u>	<u>(185,380)</u>	<u>722,509</u>	<u>103,745</u>	<u>826,254</u>
Change in Net Assets	439,771	82,165	521,936	2,577,815	589,500	3,167,315
Net Assets, Beginning of Year	<u>3,728,527</u>	<u>2,040,114</u>	<u>5,768,641</u>	<u>1,150,712</u>	<u>1,450,614</u>	<u>2,601,326</u>
Net Assets, End of Year	<u>\$ 4,168,298</u>	<u>\$ 2,122,279</u>	<u>\$ 6,290,577</u>	<u>\$ 3,728,527</u>	<u>\$ 2,040,114</u>	<u>\$ 5,768,641</u>

See accompanying notes to the financial statements.

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

	Year Ended December 31, 2022				Year Ended December 31, 2021			
	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 3,702,819	\$ 474,233	\$ 174,046	\$ 4,351,098	\$ 2,072,606	\$ 300,903	\$ 160,332	\$ 2,533,841
Direct Client Aid	1,782,321	-	-	1,782,321	1,125,772	-	-	1,125,772
Program Consultants	233,427	994	7,865	242,286	865,982	1,198	638	867,818
Employee Benefits and Payroll Taxes	644,251	82,512	30,282	757,045	418,766	60,797	32,395	511,958
Rent	195,651	12,467	4,575	212,693	110,047	11,599	6,180	127,826
Office Expense	135,181	17,313	6,354	158,848	94,006	9,873	5,261	109,140
Direct Program Expenses	283,868	756	3,016	287,640	82,170	-	-	82,170
Professional Fees	102,774	13,791	5,062	121,627	-	78,953	-	78,953
Events and Fundraising	12,160	-	55,612	67,772	1,129	-	42,934	44,063
Insurance	43,050	5,514	2,024	50,588	28,403	4,124	2,197	34,724
Professional Development	9,283	252	92	9,627	19,644	-	-	19,644
Travel	47,340	190	70	47,600	19,490	87	46	19,623
Depreciation	18,032	2,310	848	21,190	13,295	1,930	1,029	16,254
Equipment Rental and Maintenance	6,687	856	314	7,857	5,455	792	422	6,669
Bad Debt Expense	-	-	-	-	403	58	31	492
	<u>\$ 7,216,844</u>	<u>\$ 611,188</u>	<u>\$ 290,160</u>	<u>\$ 8,118,192</u>	<u>\$ 4,857,168</u>	<u>\$ 470,314</u>	<u>\$ 251,465</u>	<u>\$ 5,578,947</u>

See accompanying notes to the financial statements.



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

	Year Ended	
	December 31,	
	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 521,936	\$ 3,167,315
Adjustments to reconcile change in net assets to		
Net cash provided by operating activities:		
Bad debt expense	50	492
Depreciation	21,190	16,254
Realized and unrealized losses (gains) on investments	185,380	(104,734)
Donated vehicle	(3,204)	(7,501)
Donated equipment	-	(1,640)
Forgiveness of Federal Paycheck Protection Program loan	-	(721,520)
Changes in operating assets and liabilities:		
Grants receivable	(1,852,682)	(717,968)
Contributions receivable	1,180,395	(1,085,136)
Prepaid expenses	71,987	(137,481)
Other receivables	5,408	(5,024)
Security deposit	(2,917)	(900)
Accounts payable and accrued expenses	58,740	204,972
Refundable advance - Federal Paycheck Protection Program	-	372,865
Deferred revenue	45,355	(430)
Net Cash Provided by Operating Activities	<u>231,638</u>	<u>979,564</u>
Cash Flows from Investing Activities		
Purchase of equipment	-	(6,877)
Database under development	(52,400)	-
Purchases of investments	(425,479)	(66,997)
Net Cash Used by Investing Activities	<u>(477,879)</u>	<u>(73,874)</u>
Change in Cash and Cash Equivalents	(246,241)	905,690
Cash and Cash Equivalents, Beginning of Year	<u>2,482,261</u>	<u>1,576,571</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,236,020</u>	<u>\$ 2,482,261</u>

See accompanying notes to the financial statements.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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 and other immigrants. In 2022 and 2021, its clients were primarily refugees from Africa and Central Asia, humanitarian parolees from Afghanistan and Ukraine, and asylum seekers and other immigrants from Latin America. The Organization is supported primarily through government grants and contributions from individuals, community groups, foundations, and faith-based groups.

New Accounting Pronouncement

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the statement of financial position of lessees for operating leases, along with the disclosure of key information about leasing arrangements. Adoption of Topic 842 is effective for nonpublic companies for annual reporting periods beginning after December 15, 2021. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. The Organization adopted this standard effective January 1, 2022.

The Organization elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization's leases are all for 12 months or less and are therefore not required to recognize a right-of-use asset and lease liability and the adoption of Topic 842 did not have a material impact on the statement of financial position, statement of activities, or statement of cash flows.

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.

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent available resources other than donor-restricted contributions.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) contributions that require that the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon, and 3) the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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

Cash and Cash Equivalents

Cash and cash equivalents include all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants and Contributions Receivable

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give consist of grants and contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

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.

Government Grants

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as a contribution when the Organization has met the conditions of the grant, which is generally that the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

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, vehicles, and leasehold improvements. The Organization's capitalization threshold is \$1,000.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

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

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. Salaries and related taxes are allocated based on estimates of actual time spent on program activities, management and general activities and fundraising activities. Rent expense is allocated based on the nature and use of the space, whether for program activities or administrative activities.

Revenue from Contracts with Customers

Revenue from contracts with customers consist of the following:

	Year Ended December 31,	
	<u>2022</u>	<u>2021</u>
Immigration and legal fee income	\$ 11,995	\$ 13,740
Registration fees - special events	<u>81,006</u>	<u>62,129</u>
Total	<u>\$ 93,001</u>	<u>\$ 75,869</u>

Revenue for immigration and legal services provided to clients is recognized as the services are provided. The Organization recognizes revenue for registration fees for special events at the time the special event is held. Determining when control transfers require management to make judgements that affect the timing of revenue recognized. The Organization believes that the preceding method provides a faithful depiction of the transfer of control of its services.

Income Taxes

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

Investments

Investments are recorded at fair value based on quoted market prices in an active market. Investment income and net appreciation or depreciation in the fair value of investments is included in the statement of activities.

Contributed Nonfinancial Assets

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 (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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 2023 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 2023 as in 2022.

Availability of Financial Assets

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.

	December 31,	
	<u>2022</u>	<u>2021</u>
Financial Assets at Year-End:		
Cash	\$ 2,236,020	\$ 2,482,261
Grants receivable	2,866,703	1,014,021
Contributions receivable	363,043	1,543,488
Other receivables	5,493	10,901
Endowment investments	<u>1,086,735</u>	<u>846,636</u>
	6,557,994	5,897,307
Less Amounts Not Available to be Used for General Expenditures Within One Year:		
Net assets with donor restrictions	2,122,279	2,040,114
Less net assets with time restrictions to be met in less than a year	<u>(5,183)</u>	<u>(29,870)</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 4,440,898</u>	<u>\$ 3,887,063</u>

NOTE 3 - ENDOWMENT

On February 7, 2019, the Organization received a contribution from a donor in the amount of \$1,000,000 to fund an endowment. The endowment was to be paid in five annual installments of \$200,000, with annual payments to be made to the Organization on the anniversary of the date of the contribution award agreement. However, the Organization received the funds in advance of the schedule and the entire amount was fully received by 2022. Under the agreement, the Organization may withdraw an amount up to 5% of the fair market value of the endowment fund annually.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 3 - ENDOWMENT – (CONTINUED)

The Organization's endowment consists of funds to be used in the support of the Organization's mission. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Management has interpreted the Connecticut Prudent Management of Institutional Funds Act (CTPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund is classified as subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by CTPMIFA. In accordance with CTPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds, including:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return of the charitable assets
- Other resources of the Organization
- The Organization's investment policies

Under Connecticut law, the Organization is permitted to appropriate as much of the investment earnings and appreciation as is prudent considering the Organization's long and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, the possible effect of inflation or deflation, general economic conditions, and with giving primary consideration to donor intent.

Return Objectives and Risk Parameters

The Organization's investment and spending policies are that of a total return approach to endowment management. This long-term strategy seeks to provide a predictable amount of revenue while maintaining the fund's purchasing power against the effects of inflation. Endowment assets are invested in a diversified asset mix of equity and debt mutual funds and an equity exchange-traded fund.

Spending Policy

The Organization has adopted a spending policy which allows them to withdraw up to 5% of the fair market value of the fund, annually; first from net income, and to the extent insufficient, from realized net capital gains, to the extent that is insufficient, from principal of the fund. For the first two years of the agreement, fair market value was to be considered the fair market value of the fund on the first business day of the current valuation year.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 3 - ENDOWMENT – (CONTINUED)

Spending Policy – (Continued)

For the third and subsequent years, fair market value will be considered the average of the market value of the fund on the first business day of the current valuation year, the market value of the fund on the first business day of the previous valuation year, and the market value of the fund on the first business day of the valuation year which was two years prior to the current valuation year.

The up to 5% value is subject to a cap and floor restriction. When calculating the 5% of the three-year average, the resulting value is restricted to not less than 4% and not more than 6% of the market value of the fund on the first business day of the current valuation year.

From time to time, the endowment fund may have a fair value that is less than the amount required to be maintained by donor or by law (underwater endowment). The Organization has interpreted CTPMIFA to permit spending from an underwater endowment in accordance with prudent measures required under law. During the years ended December 31, 2022 and 2021, the Organization did not appropriate any expenditure from an underwater endowment.

The composition of assets that comprise the Endowment fund are as follows:

	December 31,	
	<u>2022</u>	<u>2021</u>
Investments	\$ 1,086,735	\$ 846,636
Contributions Receivable	<u>-</u>	<u>400,000</u>
Total	<u>\$ 1,086,735</u>	<u>\$ 1,246,636</u>

Changes in endowment net assets for the year ended December 31, 2022 are as follows:

Balance, January 1, 2022	\$ 1,246,636
Investment Loss, Net	<u>(159,901)</u>
Balance, December 31, 2022	<u>\$ 1,086,735</u>

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

Balance, January 1, 2021	\$ 1,068,579
Contributions	50,612
Change in Fair Value	6,326
Investment Return, Net	<u>121,119</u>
Balance, December 31, 2021	<u>\$ 1,246,636</u>

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 4 - CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities consist of the following:

	Year Ended December 31,	
	<u>2022</u>	<u>2021</u>
Professional Services	\$ 58,555	\$ 732,124
Vehicles	3,204	8,836
Rent	<u>-</u>	<u>7,000</u>
	<u>\$ 61,759</u>	<u>\$ 747,960</u>

The Organization recognized contributed nonfinancial assets within operating revenue and support, including professional services and contributed vehicles. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed services recognized comprise of \$32,656 and \$34,180 of professional services from attorneys advising the Organization on various matters for the years ended December 31, 2022 and 2021, respectively, \$18,699 and \$46,944 of professional moving services to assist with placement of refugees in homes for the years ended December 31, 2022 and 2021, respectively, \$7,200 of annual software licenses for the year ended December 31, 2022 and \$651,000 of services donated in connection with consultants assisting with clients who were not able to leave Afghanistan during the Afghan crisis for the year ended December 31, 2021. Contributed services are valued and are reported at the estimated fair value in the financial statements. The fees are based on current rates for similar services.

The Organization occasionally receives donated vehicles. Their policy is to capitalize the vehicles in the financial statements based on the value of the make and model of the car at the time of receipt, as determined by Kelly Blue Book. The Organization utilizes the vehicles to assist with transporting refugees as needed.

The Organization requires space to carry out various functions. For the year ended December 31, 2021, the Organization received the use of a storage facility at no cost. As such, the amount recorded for rent is based on the value of rent charged for identical or similar space in the local market.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

The Organization had contributions receivable of \$363,043 and \$1,543,488 as of December 31, 2022 and 2021, respectively. There were no promises to give more than one year as of December 31, 2022 or 2021.



INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 6 - FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value in three broad levels:

Level 1: Inputs are based upon adjusted quoted prices for identical instruments traded in active markets.

Level 2: Inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are, therefore, determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. These inputs reflect the assumptions of management about assumptions market participants would use in pricing the investments.

The Organization's investment assets at fair value are classified as Level 1 in the fair value hierarchy table, as follows:

	December 31,	
	<u>2022</u>	<u>2021</u>
Money Market	\$ 305,220	\$ -
ETF - U.S. Stocks	<u>247,611</u>	<u>271,470</u>
Mutual Funds		
Emerging Markets	121,530	143,848
Developed Markets	142,425	153,426
Real Estate	142,240	170,483
Other	52,394	36,550
Fixed Income	37,400	35,434
Treasury	<u>37,915</u>	<u>35,425</u>
Total Mutual Funds	<u>533,904</u>	<u>575,166</u>
Total Investments at Fair Value	<u>\$ 1,086,735</u>	<u>\$ 846,636</u>

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	December 31,	
	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 27,614	\$ 27,614
Leasehold improvements	41,705	41,705
Vehicles	63,256	60,052
Software	26,400	25,942
Less: accumulated depreciation	<u>(94,078)</u>	<u>(72,887)</u>
	<u>\$ 64,897</u>	<u>\$ 82,426</u>

NOTE 8 - OPERATING LEASES

The Organization leases its office space and determines if an arrangement is a lease at inception. As of December 31, 2022, the Organization has determined that its office leases are operating-type leases. Each of the Organization's leases are either twelve months or less or on a month-to-month basis. As such, a right of use asset and lease liability have not been recorded for these leases.

The Organization leased its facility located in New Haven, Connecticut on a month-to-month basis through June 2022. Monthly rent expense under the lease was \$6,810. As part of the lease, the Organization also rented additional storage space for \$600 per month. The Organization has not entered into an updated lease for this space but has continued to rent it on a month-to-month basis with all terms of the lease remaining unchanged.

The Organization began leasing three additional spaces during 2021 to operate certain programs. These leases were all short-term and upon expiration, two of the leases are on a month-to-month basis (monthly rent of \$700 for the years ended December 31, 2022, and 2021 and monthly rent of \$900 for the years ended December 31, 2022 and 2021), while the other has been renewed for an additional 12 month period through June 2023 (monthly rent of \$5,012 and \$1,786 for the years ended December 31, 2022 and 2021, respectively).

In 2022, the Organization entered a one-year lease for operations and programming for the housing and development department. The monthly rent expense for this lease is \$2,917 through January 2023.

The future minimum lease payments for the year ended December 31, 2023, is \$35,688.

The Organization has also elected to apply the short-term lease exemption to its leases for office equipment and storage units. Total lease expense for office equipment was \$49,209 and \$30,479 for the years ended December 31, 2022 and 2021, respectively.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

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

	December 31,	
	<u>2022</u>	<u>2021</u>
Endowment	\$ 1,086,735	\$ 1,246,636
Education	595,018	1,173
Ukrainian resettlement	62,000	-
Afghan resettlement	53,753	138,718
Hartford area services	58,794	65,000
Direct client assistance	58,588	80,386
Anti-racism work	34,971	39,250
Immigration legal services	34,805	75,838
Employment services and job creation	32,254	23,363
Co-sponsorship	18,817	105,000
Vehicle	15,000	-
Mental health and wellness	14,399	22,458
New office space	12,213	13,571
Other restricted purposes	10,349	4,347
Designated families	10,277	11,152
Community outreach	8,535	18,948
Run for Refugees sponsorships and donations for 2022 and 2021, respectively	5,183	29,870
Art therapy	2,800	2,800
Music project	2,513	2,773
Housing	2,218	19,729
Operations - structural improvement	1,916	1,916
Food and food pantry services	1,141	5,232
National co-sponsorship	-	131,954
	<u>\$ 2,122,279</u>	<u>\$ 2,040,114</u>

NOTE 10 - 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 at least 21, 2) have worked for the Organization for 12 months, and 3) work at least 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 \$178,584 and \$132,541 for the years ended December 31, 2022 and 2021, respectively. All employer contributions are immediately vested to the employees.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 11 - CONCENTRATIONS AND CREDIT RISK

As of December 31, 2022 and 2021, the Organization held cash of \$457,025 and \$77,642, respectively, in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses on these accounts and management does not believe that its cash balances are subject to significant credit risk.

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, 2022 and 2021, approximately 57% and 26% of all revenue and support was from government grants.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

As part of its mission, the Organization has become a party to various leases for its clientele. As of December 31, 2022, the Organization is a party to 53 leases which range from \$795 to \$2,600 per month. The leases expire at various dates, the latest being June 30, 2024.

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 13 - FEDERAL PAYCHECK PROTECTION PROGRAM

In May 2020, the Organization received a \$348,655 loan from a bank under the Federal Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Securities (CARES) Act. The loan was to be forgiven to the extent loan proceeds were used for eligible expenses such as payroll and other expenses described in the CARES Act. The Organization used the loan proceeds for qualifying expenses and the entire loan was forgiven in 2021.

On March 28, 2021, the Organization received additional loan proceeds in the amount of \$372,865 under the Federal Paycheck Protection Program. The Organization used the loan proceeds for qualifying expenses and the entire loan was forgiven in 2021.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 14 - COVID-19

As a result of the COVID-19 pandemic, the Organization experienced a significant increase in client needs in 2020, which continued in 2021 and 2022. The number of immigrant clients served by the Organization increased as a result of the pandemic, and many of the Organization's clients continued to require substantial increased assistance throughout 2022 due to the public health, housing crisis, and economic impacts of the pandemic. The Organization's food pantry continued to serve triple the number of individuals served prior to the pandemic.

The extent of any further impacts of the COVID-19 pandemic on the Organization is uncertain and cannot be reasonably estimated as of the date of the financial statements.

NOTE 15 - AFGHAN CRISIS

As a result of the fall of the Afghan government in August 2021 and the rapid evacuation of Afghans to the United States under the State Department's humanitarian parole program, the Organization experienced an unprecedented increase in emergency client needs as well as increased expenses due to the sudden increase in the number of arrivals. Existing clients needed assistance in submitting Humanitarian Parole applications on behalf of family members, and existing IRIS clients who had been temporarily in Afghanistan and were unable to evacuate from Afghanistan were in need of ongoing assistance from IRIS until they were able to leave Afghanistan. The Organization saw a dramatic increase in the number of arrivals as a result of the crisis in Afghanistan, resettling 507 new Afghan Humanitarian Parole arrivals in the months October 2021– September 2022 through the State Department's Afghan Placement and Assistance program. The Organization hired additional staff to assist new clients.

The Organization continues to provide essential services to these clients.

The Organization received supplemental federal funding in 2022 in connection with this program, as well as additional private contributions. The total incremental funding related to the Afghan crisis and the APA program received during the year ended December 31, 2022 was as follows:

Supplemental Federal Assistance	\$ 1,343,665
Other Private Contributions for Assisting Afghan Clients	<u>40,993</u>
Total	<u>\$ 1,384,658</u>

The Organization expects to receive supplemental federal funding in 2023 and 2024 in connection with the Afghan Placement and Assistance program.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021

NOTE 16 - UKRAINE WAR

As a result of the war in Ukraine and the influx of Ukrainian humanitarian parolees to the United States under the Department of Homeland Security’s “Uniting for Ukraine” Humanitarian Parole program and Temporary Protective Status designation, the Organization created a new program and hired additional staff to assist Ukrainian humanitarian parolees and their sponsors. These new US government pathways for temporary safety in the US began in April 2022 and the organization served 310 Ukrainians through December 2022.

The Organization received supplemental federal funding in 2022 in connection with this program, as well as additional private contributions. The total incremental funding related to the Ukrainian humanitarian parole program received during the year ended December 31, 2022 was as follows:

Supplemental Federal Assistance	\$ 58,994
Other Private Contributions for Assisting Ukrainian Clients	<u>78,703</u>
Total	<u>\$ 137,697</u>

The Organization expects to receive supplemental federal funding in 2023 and 2024 in connection with the Ukrainian Humanitarian Parolee program.

NOTE 17 - SUBSEQUENT EVENTS

In January 2023, the Department of State’s Bureau of Population, Refugees, and Migration (PRM) launched a new program. The Organization is one of six organizations partnering with the Community Sponsorship Hub to design, implement and launch Welcome Corps. The Organization was selected as one of the first three “Private Sponsorship Organization” (PSO) within the Welcome Corps. As a PSO, the Organization will provide training and oversight to Private Sponsorship Groups (“PSGs”) across the United States. The Organization has hired additional staff to support this new program.

In June 2023, the Organization’s Hartford office transitioned from being a satellite office to being a sub-office, and a new site for purposes of the State Department’s Reception & Placement program. As a new site, the Hartford office will be assigned its own arrivals through the Reception & Placement program.

Due to delays experienced in 2023 in the State's processing contracts and making payments on contracts, the Organization intends to establish a Line of Credit to ensure liquidity in the event of future similar delays.

In 2023, it was announced that the Executive Director would be retiring. The Board is currently conducting a search for a new Executive Director. The current Executive Director will not retire until the new Executive Director has been hired and onboarded.

The Organization did not have any additional subsequent events through September 29, 2023, which is the date the financial statements were available to be issued.

**FEDERAL SINGLE AUDIT**



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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, 2022, 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 September 29, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Integrated Refugee & Immigrant Services, Inc.'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 our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Integrated Refugee & Immigrant Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Integrated Refugee & Immigrant Services, 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 or significant deficiencies may exist that were not identified.

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### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Integrated Refugee & Immigrant Services, 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 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 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  
September 29, 2023



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

Audit  
Tax  
Advisory  
Assurance  
Valuation  
Litigation Support

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY 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**

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

We have audited Integrated Refugee & Immigrant Services, 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 Integrated Refugee & Immigrant Services, Inc.'s major federal programs for the year ended December 31, 2022. Integrated Refugee & Immigrant Services, 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, Integrated Refugee & Immigrant Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***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 Integrated Refugee & Immigrant Services, 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 Integrated Refugee & Immigrant Services, 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 Integrated Refugee & Immigrant Services, Inc.'s federal programs.

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### ***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 Integrated Refugee & Immigrant Services, 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 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 Integrated Refugee & Immigrant Services, 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 noncompliance, 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 Integrated Refugee & Immigrant Services, 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 Integrated Refugee & Immigrant Services, 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 Integrated Refugee & Immigrant Services, 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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Integrated Refugee & Immigrant Services, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Integrated Refugee & Immigrant Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Integrated Refugee & Immigrant Services, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Integrated Refugee & Immigrant Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

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  
September 29, 2023

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022

Federal Grantor/ Passthrough Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<u>Department of State</u>			
U.S. Refugee Admissions Program	19.510		
Passthrough from Church World Service		SPRMCO-21-CA-003286	\$ 1,194,070
Passthrough from Church World Service (U.S. Afghan Placement and Assistance Program)		SPRMCO-21-CA-003286	<u>642,037</u>
Total Department of State			<u>1,836,107</u>
<u>Department of Health and Human Services</u>			
Refugee and Entrant Assistance Discretionary Grants	93.576		
Passthrough from Church World Service		90RP0115	<u>592,139</u>
Total Discretionary Grants			<u>592,139</u>
Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566		
Refugee Cash and Medical Assistance and Refugee Social Services			
Passthrough from the State of Connecticut Department of Social Services:			
Refugee Support Services		16DSS4801JI/064-1JI-RAP01	733,036
Refugee Support Services Afghani SIV		16DSS4801JI/064-1JI-RAP01	291,259
Refugee School Impact Grant		16DSS4801JI/064-1JI-RAP01	332,152
Youth Mentoring		16DSS4801JI/064-1JI-RAP01	73,830
Refugee Health Promotion, including ReMHI		16DSS4801JI/064-1JI-RAP01	<u>187,576</u>
			<u>1,617,853</u>
Refugee and Entrant Assistance Wilson/Fish Program	93.583		
Wilson Fish TANF Coordination Program		20DSS4801J1/093-1J1-RAP01	184,777
Afghanistan Supplemental Appropriations - Support Services		21DSS4801JI	339,931
Afghanistan Supplemental Appropriations - School Impact		21DSS4801JI	92,355
Afghanistan Supplemental Appropriations - Health Promotion		21DSS4801JI	97,859
Afghanistan Supplemental Appropriations - Legal		21DSS4801JI	113,810
Afghanistan Supplemental Appropriations - Youth Mentoring		21DSS4801JI	20,484
Ukrainian Refugee Support Services		22DSS4801JI	<u>3,071</u>
			<u>852,287</u>
Total State Administered Programs			<u>2,470,140</u>
Total Department of Health and Human Services			<u>3,062,279</u>
<u>Department of Housing and Urban Development</u>			
Passthrough from the City of New Haven, Connecticut			
Community Development Block Grants/Entitlement Grants	14.218	40210043-01-FY2021	<u>5,326</u>
Total Department of Housing and Urban Development			<u>5,326</u>
Total Expenditures of Federal Awards			<u>\$ 4,903,712</u>

See accompanying notes to the schedule of expenditure of federal awards.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022

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, 2022. 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, 2022.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022

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

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2022

I. SUMMARY OF AUDITOR'S RESULTS – (CONTINUED)

**Federal Awards – (Continued)**

Major federal programs:

Federal Grantor/ Pass-through Grantor/ Program or Cluster	Federal CFDA Number	Expenditures
<u>Department of Health and Human Services</u>		
Refugee and Entrant Assistance - State Replacement Designee Administered Programs	93.566	
Refugee Cash and Medical Assistance and Refugee Social Services		
Passthrough from the State of Connecticut Department of Social Services:		
Refugee Support Services		\$ 733,036
Refugee Support Services Afghani SIV		291,259
Refugee School Impact Grant		332,152
Youth Mentoring		73,830
Refugee Health Promotion, including ReMHI		<u>187,576</u>
		<u>\$ 1,617,853</u>
Refugee and Entrant Assistance Wilson/Fish Program	93.583	
Wilson Fish TANF Coordination Program		\$ 184,777
Afghanistan Supplemental Appropriations - Support Services		339,931
Afghanistan Supplemental Appropriations - School Impact		92,355
Afghanistan Supplemental Appropriations - Health Promotion		97,859
Afghanistan Supplemental Appropriations - Legal		113,810
Afghanistan Supplemental Appropriations - Youth Mentoring		20,484
Ukrainian Refugee Support Services		<u>3,071</u>
		<u>\$ 852,287</u>
		<u>\$ 2,470,140</u>

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

Yes



INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022

II. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2022-001

Department of Health and Human Services - Refugee and Entrant Assistance Wilson/Fish Program; Assistance Listing Number 93.583; Grant period - year ended September 30, 2022

Condition: Out of four grant reports selected for testing of timely submission, we determined that one grant report was filed late.

Criteria: Grant reports are to be submitted in accordance with deadlines outlined in the grant agreement.

Cause: Based on the large influx of refugees in a short time period and additional funds being provided to the Organization on a retrospective basis, they were not able to file the grant report timely as these factors required additional work be done on their end to ensure the grant reports were filed accurately.

Effect: Due to the fact that grants may not reimburse expenses incurred until grant reports are filed, this could result in a delay in cash receipts.

Context: Grant reports are filed on a quarterly basis. A sample of four grants were selected to test that submissions were made timely in accordance with the grant agreement.

Recommendation: We recommend that management ensure that grants are filed timely.

Responsible Official's Response: Management will ensure that grant reports are filed timely.

2022-002

Department of Health and Human Services - Refugee and Entrant Assistance Wilson/Fish Program – Afghanistan Supplemental Appropriations – Youth Mentoring; Assistance Listing Number 93.583; Grant period – year ended September 30, 2022

Department of Health and Human Services - Refugee and Entrant Assistance – State Replacement Designee Administered Programs – Refugee Cash and Medical Assistance and Refugee Social Services – Refugee School Impact Grant; Assistance Listing Number 93.566; Grant period – year ended September 30, 2022

Condition: Out of four grant reports selected for testing of verification of documentation, we determined that documentation of the number and type of participant served could not be easily verified based on the documentation provided.

Criteria: Grant performance reports are to indicate the type and number of participants served for specific programs as outlined in the grant agreement.

INTEGRATED REFUGEE & IMMIGRANT SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022

II. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2022-002 – (Continued)

Cause: The information requested was not readily available due to the large influx of refugees in a short period of time and the fact that the tracking of these participants by various groupings was very labor intensive and the worksheet maintained was not conducive to replicating the data as reported on the grant report.

Effect: The participants serviced as reported on the grant reports may be inaccurate.

Context: Grant reports are filed on a quarterly basis. A sample of two grants were selected to verify documentation of the number and type of participants served.

Recommendation: We recommend that management ensure that documentation surrounding various performance requirements of grant reports be made readily available to ensure that the amounts contained in the reports are accurate.

Responsible Official's Response: Management will ensure that supporting documentation regarding the number and type of participant served is readily available and that it ties directly back to the grant reports as they are filed. They are in the process of implementing a client tracking database which will make the tracking process much easier and more transparent in coming years.

## Corrective Action Plan

December 31, 2022

U.S. Department of Health and Human Services:

Integrated Refugee and Immigrant Service, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Beers, Hamerman, Cohen, & Burger, P.C., 234 Church Street, New Haven, Connecticut, 06510.

Audit Period: December 31, 2022

The findings from the December 31, 2022, schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS- FEDERAL AWARD PROGRAM AUDITS**

#### **Significant Deficiencies**

##### 2022-001

Department of Health and Human Services – Refugee and Entrant Assistance Wilson/Fish Program; Assistance Listing Number 93.583; Grant period ended September 30, 2022

Recommendation: We recommend that management ensure that grant reports are filed timely.

Views of Responsible Officials and Planned Corrective Actions: Management is implementing procedures to ensure that grant reports are filed timely.

##### 2022-002

Department of Health and Human Services - Refugee and Entrant Assistance Wilson/Fish Program – Afghanistan Supplemental Appropriations – Youth Mentoring; Assistance Listing Number 93.583; Grant period – year ended September 30, 2022

Department of Health and Human Services - Refugee and Entrant Assistance – State Replacement Designee Administered Programs – Refugee Cash and Medical Assistance and Refugee Social Services – Refugee School Impact Grant; Assistance Listing Number 93.566; Grant period – year ended September 30, 2022

Recommendation: We recommend that management ensure that documentation surrounding various performance requirements of grant reports be made readily available to ensure that the amounts contained in the reports are accurate.

Responsible Official's Response: Management is implementing procedures that will ensure that supporting documentation for its performance reports is readily available and that it agrees to the grant reports as they are filed. They are in the process of implementing a client tracking database which will make the tracking process much easier and more transparent in coming years.

If the Department of State has any questions regarding this Corrective Action Plan, please call me at 203-562-2095.

Warmest regards,

A handwritten signature in purple ink that reads "CHRIS GEORGE". The signature is stylized with a large initial "C" and a long horizontal flourish at the end.

Chris George

Executive Director