

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SINGLE AUDIT REPORT

JUNE 1, 2025 – SEPTEMBER 30, 2025

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

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SECTION I

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

***FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
(SINGLE AUDIT)***

FOR THE PERIOD JUNE 1, 2025 – SEPTEMBER 30, 2025

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**The Board of Trustees
Nationalities Service Center of Philadelphia, Inc.
Philadelphia, Pennsylvania**

Opinion

We have audited the accompanying financial statements of The Nationalities Service Center of Philadelphia, Inc., (the “Center”), which comprise the statement of financial position as of September 30, 2025, and the related statement of activities, functional expenses and cash flows for the four-month period then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of September 30, 2025, and the changes in net assets and its cash flows for the four-month period 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. 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 the Center 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 opinion.

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 the Center’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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.

**The Board of Trustees
Nationalities Service Center of Philadelphia, Inc.
Philadelphia, Pennsylvania**

In performing an audit in accordance with generally accepted 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 the Center'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 the Center'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* (CFR) Part 200, *Uniform Administrative Requirements, Costs 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 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 taken as a whole.

The Board of Trustees
Nationalities Service Center of Philadelphia, Inc.
Philadelphia, Pennsylvania

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.


TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
June 30, 2026

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2025

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$2,349,352
Contracts and accounts receivable (net of allowance for doubtful accounts of \$189,677)	1,371,450
Contributions receivable – current portion	255,651
Right-of-use asset – current portion	12,516
Prepaid expenses	<u>19,353</u>
Total current assets	<u>4,008,322</u>

OTHER ASSETS

Contributions receivable	231,283
Investments	3,639,300
Property and equipment, net	875,263
Right-of-use asset	<u>22,018</u>
Total assets	<u>\$8,776,186</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Cash overdraft	\$ 160,396
Accounts payable and accrued expenses	709,056
Deferred revenue	281,058
Lease liability – current portion	12,516
Pension plan liability	<u>70,047</u>
Total current liabilities	<u>1,233,073</u>

OTHER LIABILITIES

Lease liability	<u>22,018</u>
Total liabilities	<u>1,255,091</u>

NET ASSETS

Without donor restrictions	4,720,204
With donor restrictions	<u>2,800,891</u>
Total net assets	<u>7,521,095</u>
Total liabilities and net assets	<u>\$8,776,186</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

STATEMENT OF ACTIVITIES

For The Period June 1, 2025 – September 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contracts	\$ 2,397,327	\$ 171,333	\$ 2,568,660
Contributions	228,701	111,461	340,162
Service fees	35,141	-	35,141
Investment income	403,698	-	403,698
Net assets with donor restrictions released from restrictions	<u>141,590</u>	<u>(141,590)</u>	<u>-</u>
Total revenue and support – cash	<u>3,206,457</u>	<u>141,204</u>	<u>3,347,661</u>
In-kind goods and services	<u>217,300</u>	<u>-</u>	<u>217,300</u>
Total revenues and support	<u>3,423,757</u>	<u>141,204</u>	<u>3,564,961</u>
EXPENSES			
Programs			
Program operations	406,224	-	406,224
Economic opportunities	663,595	-	663,595
Newcomer services	383,298	-	383,298
Survivor services	344,115	-	344,115
Health and wellness	317,416	-	317,416
Legal assistance	361,531	-	361,531
Education	<u>43,542</u>	<u>-</u>	<u>43,542</u>
Total program expense	<u>2,519,721</u>	<u>-</u>	<u>2,519,721</u>
Supporting services			
Management and general	414,304	-	414,304
Fundraising	<u>103,397</u>	<u>-</u>	<u>103,397</u>
Total supporting services	<u>517,701</u>	<u>-</u>	<u>517,701</u>
Total expenses – cash	<u>3,037,422</u>	<u>-</u>	<u>3,037,422</u>
In-kind goods and services	<u>217,300</u>	<u>-</u>	<u>217,300</u>
Total expenses	<u>3,254,722</u>	<u>-</u>	<u>3,254,722</u>
Excess (deficit) of revenues over expenses	169,035	141,204	310,239
OTHER CHANGES			
Net actuarial loss on defined benefit plan	<u>(10,860)</u>	<u>-</u>	<u>(10,860)</u>
Total other changes	<u>(10,860)</u>	<u>-</u>	<u>(10,860)</u>
CHANGE IN NET ASSETS	158,175	141,204	299,379
NET ASSETS			
Beginning of year	<u>4,562,029</u>	<u>2,659,687</u>	<u>7,221,716</u>
End of year	<u>\$ 4,720,204</u>	<u>\$ 2,800,891</u>	<u>\$ 7,521,095</u>

The accompanying notes are an integral part of these financial statements.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

For The Period June 1, 2025 – September 30, 2025

	<u>Program Operations</u>	<u>Economic Opportunities</u>	<u>Newcomer Services</u>	<u>Survivor Services</u>	<u>Health & Wellness</u>	<u>Legal</u>	<u>Education</u>	<u>Total Program Expense</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total Expense</u>
Salaries	\$ 192,635	\$ 348,245	\$ 73,675	\$ 194,937	\$ 124,559	\$ 234,265	\$ 17,706	\$ 1,186,022	\$ 255,970	\$ 56,216	\$ 1,498,208
Employee pension expense (credit)	-	-	-	-	-	-	-	-	17,930	-	17,930
Other employee benefits and payroll taxes	<u>49,822</u>	<u>89,945</u>	<u>19,040</u>	<u>50,553</u>	<u>32,193</u>	<u>60,778</u>	<u>4,576</u>	<u>306,907</u>	<u>55,736</u>	<u>14,529</u>	<u>377,172</u>
Total salaries, benefits and taxes	<u>242,457</u>	<u>438,190</u>	<u>92,715</u>	<u>245,490</u>	<u>156,752</u>	<u>295,043</u>	<u>22,282</u>	<u>1,492,929</u>	<u>329,636</u>	<u>70,745</u>	<u>1,893,310</u>
Professional fees and contracted services	108,126	43,805	185,759	22,267	67,570	29,733	2,583	459,843	22,862	23,021	505,726
Supplies, telephone and postage	10,340	12,876	3,541	6,994	4,434	8,401	1,115	47,701	9,111	2,001	58,813
Occupancy	5,911	7,071	1,496	3,958	2,529	4,757	2,000	27,722	5,196	1,141	34,059
Repairs	2,623	4,742	1,003	2,654	1,696	3,190	241	16,149	3,484	765	20,398
Equipment and maintenance	7,130	15,821	23,552	12,774	4,089	7,212	545	71,123	7,880	3,059	82,062
Printing and teaching materials	733	-	378	-	-	-	65	1,176	-	444	1,620
Travel	43	650	239	1,529	717	38	401	3,617	3,139	-	6,756
Dues and subscriptions	925	-	-	199	-	2,475	-	3,599	99	-	3,698
Insurance	1,010	1,825	1,827	1,022	1,586	1,228	93	8,591	1,341	295	10,227
Specific assistance to individuals	7,025	122,022	70,255	37,289	70,896	-	10,715	318,202	-	-	318,202
Depreciation and amortization	6,582	11,898	2,517	6,660	4,256	8,004	605	40,522	8,745	1,921	51,188
Program supplies	11,100	354	16	3,279	2,816	-	2,897	20,462	-	-	20,462
Bank fees and interest	-	-	-	-	-	-	-	-	18,320	-	18,320
Miscellaneous	<u>2,219</u>	<u>4,341</u>	<u>-</u>	<u>-</u>	<u>75</u>	<u>1,450</u>	<u>-</u>	<u>8,085</u>	<u>4,491</u>	<u>5</u>	<u>12,581</u>
Total expenses – cash	<u>406,224</u>	<u>663,595</u>	<u>383,298</u>	<u>344,115</u>	<u>317,416</u>	<u>361,531</u>	<u>43,542</u>	<u>2,519,721</u>	<u>414,304</u>	<u>103,397</u>	<u>3,037,422</u>
In-kind goods and services	-	-	-	-	140,464	27,538	49,298	217,300	-	-	217,300
Total expenses	<u>\$ 406,224</u>	<u>\$ 663,595</u>	<u>\$ 383,298</u>	<u>\$ 344,115</u>	<u>\$ 457,880</u>	<u>\$ 389,069</u>	<u>\$ 92,840</u>	<u>\$ 2,737,021</u>	<u>\$ 414,304</u>	<u>\$ 103,397</u>	<u>\$ 3,254,722</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

STATEMENT OF CASH FLOWS

For The Period June 1, 2025 – September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 299,379
Adjustments to reconcile changes in net assets to net cash used in operating activities:	
Depreciation and amortization	51,188
Contributions of stock	(25,905)
Realized and unrealized gains	(355,091)
Operating lease liability payments	(4,546)
Amortization of right-of-use asset	4,546
(Increase) decrease in:	
Contracts and accounts receivable	(361,453)
Prepaid expenses	26,804
Increase (decrease) in:	
Accounts payable and accrued expenses	(77,824)
Deferred revenue	(187,202)
Pension plan liability	<u>28,790</u>
Cash used in operating activities	<u>(601,314)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment	(1,422)
Purchases of long-term investments	(296,203)
Proceeds from sales of long-term investments	<u>106,291</u>
Cash used for investing activities	<u>(191,334)</u>

Net decrease in cash and cash equivalents (792,648)

CASH AND CASH EQUIVALENTS,

Beginning of fiscal year	<u>2,981,604</u>
End of fiscal year	<u>\$ 2,188,956</u>
Cash and cash equivalents	\$ 2,349,352
Cash overdraft	<u>(160,396)</u>
	<u>\$ 2,188,956</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nationalities Service Center of Philadelphia, Inc. (the “*Center*”) is a non-profit corporation organized to assist immigrants and refugees assimilate to the American culture. To achieve these goals, the organization provides counseling, education, legal and community services.

BASIS OF ACCOUNTING

The Center’s accounting policies conform to generally accepted accounting principles, using the accrual basis of accounting. The Center changed its fiscal year end to September 30, effective June 1, 2025.

BASIS OF PRESENTATION

In accordance with generally accepted accounting principles, the Center is required to report information regarding its financial position and activities according to two classes of net assets:

Without Donor Restrictions

Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions

Net assets subject to donor-imposed stipulations that will be met either by actions of the Center and/or the passage of time.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

Cash and other highly liquid investments with an original maturity date of three months or less are considered to be cash equivalents. The Center’s cash and cash equivalents include money market accounts and other short-term investments in which fair market value at September 30, 2025 was \$2,342,825.

CONCENTRATION OF CREDIT RISK

The Center maintains cash balances in major financial institutions in excess of the federally insured limit by the Federal Deposit Insurance Corporation (FDIC). Historically, the Center has not experienced any losses and management believes it is not exposed to any significant credit risk.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Center’s financial instruments consist primarily of cash and money market deposits, investments, accounts and grants receivable and accounts payable. These balances, as presented in the financial statements as of September 30, 2025, approximate their fair market value because of their short maturities.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025

REVENUE RECOGNITION

The Center recognizes contributions when cash, securities or other assets, and unconditional promise to give, or a notification of a beneficial interest is received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before the Center is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. The Center recognizes the contribution when the conditions are substantially met or explicitly waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as “*net assets released from restrictions.*”

A portion of the Center’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 revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances/deferred revenue in the statement of financial position.

The Center recognizes revenue from interpretation and translation fees, legal fees, and educational fees when the respective service has been performed.

ACCOUNTS RECEIVABLE

Accounts receivable are reported at their outstanding balances less any allowance for doubtful accounts. The allowance is based upon a review of the individual accounts outstanding and the organization’s prior history of uncollectible receivables. As of September 30, 2025, the organization recorded an allowance for doubtful accounts of \$189,677 for past-due receivables.

PROPERTY AND EQUIPMENT

The Center follows the practice of capitalizing, at cost or market value where the original cost is not known, as expenditures for fixed assets in excess of \$1,000. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and Improvements	27.5 years
Furniture and Equipment	3 – 10 years
Leasehold Improvements	20 years

IN-KIND GOODS AND SERVICES

In-kind goods and services are recognized as contributions in accordance with Accounting Standards Codification (ASC) No. 958, “Not-for-Profit Entities”, if the services (a) create or enhance non financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. Contributions of in-kind goods and services are recorded at their fair values in the period received. Unless otherwise noted, in-kind goods and services did not have donor-imposed restrictions.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, primarily based upon the relative time spent by the Center's employees on each function.

LEASES

Operating leases are included in operating lease right-of-use ("ROU") assets and ROU lease liabilities in the statement of financial position. The Center determines whether an agreement is or contains a lease at inception of the lease.

ROU assets represent the Center's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Center's leases do not provide an implicit interest rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

INCOME TAX STATUS

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. It has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code and qualifies for the maximum charitable contributions deduction for individual donors.

The Center accounts for uncertainties in income taxes in accordance with authoritative guidance, which prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management has reviewed the tax position for each of the open fiscal tax years (2022 - 2024) or expected to be taken in the Center's fiscal 2025 tax returns and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

(2) INVESTMENTS

The following represents the fair value of investments at September 30, 2025.

Common stock	\$ 457,204
Equity Mutual Funds / Exchange-Traded Funds	2,102,665
Fixed Income Mutual Funds / Exchange-Traded Funds	<u>1,079,431</u>
Total	<u>\$ 3,639,300</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

(3) FAIR VALUE OF FINANCIAL INSTRUMENTS

The Center utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Center has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Center’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value the Center’s assets that are carried at fair value at September 30, 2025, is as follows:

	2025			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stock	\$ 457,204	\$ -	\$ -	\$ 457,204
Equity Mutual Funds / ETFs	2,102,665	-	-	2,102,665
Fixed Income Mutual Funds / ETFs	<u>1,079,431</u>	<u>-</u>	<u>-</u>	<u>1,079,431</u>
Total Investments	<u>\$ 3,639,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,639,300</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

(4) CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable consist of the following at September 30, 2025:

Receivable in less than 1 year	\$ 255,651
Receivable in 1 to 5 years	<u>240,650</u>
	496,301
Less: Discount to present value at 4.05%	(9,367)
Less: Allowance for uncollectible accounts	<u>-</u>
Net unconditional promises to give	<u>\$ 486,934</u>

(5) PROPERTY, BUILDINGS AND EQUIPMENT

A summary of property, buildings and equipment as of September 30, 2025 is as follows:

Office condominium	\$ 2,375,858
Furniture and fixtures	<u>205,812</u>
	2,581,670
Less accumulated depreciation	<u>(1,706,707)</u>
Property, buildings and equipment, net	<u>\$ 875,263</u>

(6) LINE OF CREDIT AND NOTE PAYABLE

The Center has a \$250,000, revolving line of credit which is payable on demand at the bank's discretion. Interest on the line of credit is variable at the Prime rate plus .75% (8.00% at September 30, 2025). As of September 30, 2025, there were no outstanding borrowings on the line of credit.

(7) NET ASSETS

Net assets with donor restrictions at September 30, 2025 are available for the following purposes:

Refugee assistance & programs	\$ 824,402
Health & wellness programs	20,988
Legal Assistance	54,835
Opportunity fund (Long term capacity building)	1,207,363
Other	35,814
Use in future periods – promises to give	<u>657,489</u>
	<u>\$2,800,891</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

Net assets were released from restrictions for incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors during the four-month period ended September 30, 2025 as follows:

Refugee assistance & programs	\$ 27,147
Health & wellness programs	10,012
Legal assistance	85,106
Time restrictions expired	19,140
Other	<u>185</u>
	<u>\$ 141,590</u>

(8) PENSION PLAN

The Center has a non-contributory defined benefit pension plan for eligible employees. The plan complies with the Employees Retirement Income Security Act of 1974. Contributions are actuarially determined in accordance with ERISA.

Effective July 1, 2011, the Center has frozen this plan so that it is no longer open to new participants and no current participant will accrue any additional time in the calculation of future benefits.

On October 14, 2024, the Board of Trustees of the Center adopted a resolution to terminate the defined benefit pension plan, effective December 31, 2024. The planned termination was approved to settle vested participants and retirees under the pension plan with a combination of lump sum payments and annuitization. The settlements will be funded by the existing pension plan assets. Annuity contracts will be purchased and lump sum distributions will be paid out in settlement of the obligations under the pension plan (see Note 14).

The Center adopted the recognition provisions of Accounting Standards Codification (ASC) Topic No. 715 which requires that the funded status of defined benefit pensions, as measured as the difference between the fair value of the plan assets and the projected benefit obligation, is recognized in the Statement of Financial Position.

The Plan's assets are held by a trustee, Mutual of America, and are not included in the statement of financial position of the Center.

The following sets forth information regarding the plan as of and for the period ended June 1, 2025 – September 30, 2025:

<u>Change in Benefit Obligation</u>	
Benefit obligation at the beginning of year	\$ 1,279,000
Service cost – benefits earned during the period	3,487
Interest cost on projected benefit obligation	19,609
Change due to assumption changes	20,882
Expense charges	(420)
Annuities purchased or benefits paid	<u>(39,058)</u>
Benefit obligation at end of year	<u>\$ 1,283,500</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

Change in Plan Assets

Fair value of plan assets at beginning of year	\$1,237,743
Actual return on plan assets	15,188
Annuities purchased or benefits paid (including expense charges)	<u>(39,478)</u>
Fair value of plan assets at end of year	<u>\$1,213,453</u>
Funded status and amount recognized in Statement of Financial Position for Pension Plan Liability	<u>\$ (70,047)</u>

Components of Net Periodic Benefit Cost

Interest cost on projected benefit obligation	\$ 23,096
Actual return on plan assets	(15,470)
Amortization of loss	<u>10,304</u>
Total net periodic benefit cost (credit)	<u>17,930</u>
(Gain) or loss recognized due to settlement	<u>-</u>
Total net periodic benefit cost (credit) after recognizing settlement	<u>\$ 17,930</u>

Weighted-average assumptions used to determine benefit obligations at:

Discount rate	4.25%
Expected long-term return on net assets	3.00%
Rate of compensation increase	0.00%

Weighted-average assumptions used to determine net periodic benefit cost for years ending at:

Discount rate	4.60%
Expected long-term return on net assets	3.00%
Rate of compensation increase	0.00%

The following item has not been recognized as a component of net periodic pension cost:

Net actuarial gain (loss)	<u>\$ (10,860)</u>
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For its defined benefit pension plan investments, the Center employs a long-term risk-controlled approach using diversified investment options with minimal exposure to volatile investment options like derivatives. The Center uses a diversified allocation of equity, debt, and general account exposures that are customized to the plan's cash flow needs. For the period ended September 30, 2025, invested plan assets are as follows:

Money Market	\$ 1,016,890	83.80 %
General Account	<u>196,563</u>	<u>16.20 %</u>
	<u>\$ 1,213,453</u>	<u>100.00%</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

The following benefit payments are expected to be paid from the assets of the pension plan in following fiscal years as follows:

<u>Fiscal Year-End</u>	
2026	<u>\$1,283,500</u>
Estimated employer contributions for fiscal year 2026:	<u>\$ 70,000</u>

The Center also has a defined contribution 403(b) plan covering all full-time personnel. For the four-month period ended September 30, 2025, the Center matched employee contributions up to 6%. Total contributions to the plan for the four-month period ended September 30, 2025 amounted to \$28,065.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability, otherwise known as the “exit price”, in an orderly transaction between market participants at the measurement date. The Center uses the three-tier fair value hierarchy as a basis for its assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Center has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment schedules, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Center’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value the Center’s plan assets carried at fair value for the period ended September 30, 2025 were as follows:

	<u>2025</u>			
	<u>Total</u>	<u>Level 1 Quoted Prices</u>	<u>Level 2 Other Significant Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Money Market	\$1,016,890	\$1,016,890	\$ -	\$ -
General Account	<u>196,563</u>	<u>196,563</u>	<u>-</u>	<u>-</u>
	<u>\$1,213,453</u>	<u>\$1,213,453</u>	<u>\$ -</u>	<u>\$ -</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

(9) LEASE COMMITMENTS

The Center leases a copier under an operating lease. The term of the lease is thirty six months beginning in June 2025. The following is quantitative data related to the Center's operating lease for the four-month period ended September 30, 2025:

Operating Lease Amounts:

Right-of-use asset	\$ 34,534
Lease liability	34,534

Other Information:

Operating outgoing cash flows for operating leases	\$ 4,546
Weighted-average remaining lease term	2.67 years
Weighted average discount rate	4.05%

Lease cost information for the four-month period ended September 30, 2025, are as follows:

Operating lease costs	<u>\$ 4,546</u>
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Approximate future minimum rentals under the non-cancelable operating lease are as follows:

	Office Facilities
2026	\$ 13,638
2027	13,638
2028	<u>9,092</u>
	36,368
Less: present value adjustment	<u>(1,834)</u>
Operating lease liability	<u>\$ 34,534</u>

(10) IN-KIND GOODS AND SERVICES

The following is a summary of in-kind goods and services which is included as revenue and expense in the statement of activities for the four-month period ended September 30, 2025:

Education services	\$ 49,298
Legal services	27,538
Health and wellness services	89,392
Donated goods	<u>51,072</u>
Total donations in-kind	<u>\$ 217,300</u>

(11) CONCENTRATION OF REVENUE SOURCES

For the four-month period ended September 30, 2025, the Center received approximately 62% of its total revenue from one funding source (the Federal Government), (directly and indirectly, through other organizations) for a range of refugee support and resettlement services.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2025

(12) CONTINGENCIES

CONTRACTUAL ADJUSTMENTS

The contracts and grants under which the Center conducts its programs contain provisions defining costs which are allowable and reimbursable within the program. Program billings are subject to audit by various governmental funding sources. Audits of these billings may result in adjustments for disallowances. The Center has not experienced significant adjustments in the past.

(13) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The following table reflects the Center's financial assets for the four-month period ended September 30, 2025, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor and/or contractual restrictions.

Financial Assets

Cash and cash equivalents	\$ 2,188,956
Investments	3,639,300
Contracts and accounts receivable	1,371,450
Contributions receivable, current	<u>255,651</u>
Total financial assets	7,455,357
Less:	
Donor restricted funds	<u>(2,800,891)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 4,654,466</u>

The Center strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments. In addition, the Center maintains a \$250,000 line of credit which can be drawn on as needed during the year to manage cash flows.

(14) SUBSEQUENT EVENTS

In preparing these financial statements, management of the Center has evaluated events and transactions for potential recognition or disclosure through June 30, 2026, the date of the financial statements were available to be issued.

In connection with the termination of the pension plan (**see Note 8**), lump-sum payments of \$769,635 were paid out in December 2025. In addition, a signed annuity agreement of \$538,596 between the Center and the plan trustee was executed February 2, 2026. The plan trustee will take responsibility for all future payments effective April 1, 2026.

SUPPLEMENTAL INFORMATION

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Period June 1, 2025 – September 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal ALN</u>	<u>Grant Period</u>	<u>Expenditures</u>	<u>Provided to Subrecipients</u>
Federal Financial Awards				
U.S. Department of State Bureau of Population, Refugees and Migration				
Pass-through United States Committee of Refugees and Immigrants:				
Emergency Refugee and Migration Assistance	19.510	10/1/24 – 9/30/25	\$ 81,900	\$ -
Total 19.510			81,900	-
Total – U.S. Department of State Bureau of Population, Refugees and Migration			81,900	-
U.S. Department of Health & Human Services Office of Refugee Resettlement				
Pass-through United States Committee on Refugees and Immigrants:				
Matching Grant Program	93.567	10/1/24 – 9/30/25	158,301	-
Preferred Communities Program for Newly Arriving Refugees with Intensive Case Management Needs	93.576	9/30/24 – 9/29/25	62,305	-
Preferred Communities Program – Afghan Supplemental Allocation	93.576	9/30/24 – 9/30/25	83,254	-
Preferred Communities Program - Ukrainian Supplemental Allocation	93.576	9/30/24 – 9/30/25	250,817	-
Services for Afghan Evacuees with a Focus on Youth and Women – Direct Assistance	93.576	9/30/22 – 9/29/25	65,856	59,857
Refugee Upskilling Initiative – Direct Assistance	93.576	9/30/23 – 9/30/26	77,534	-
Immigrant Wellness IM-WELL – Direct Assistance	93.576	9/30/24 – 9/29/25	97,326	-
Total 93.576			637,092	59,857

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)

For The Period June 1, 2025 – September 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>Federal ALN</u>	<u>Grant Period</u>	<u>Expenditures</u>	<u>Provided to Subrecipients</u>
Federal Financial Awards					
Pass-through United States Committee on Refugees and Immigrants: Refugee Marriage Strengthening Program		93.086	9/30/24 – 9/29/25	<u>66,113</u>	<u>-</u>
Pass-through the Pennsylvania Department of Human Services Refugee Support Services / Afghan Refugee Support Services		93.566	10/1/24 – 9/30/25	258,286	-
Additional Ukraine Supplemental Appropriations Act (AUSAA)		93.566	10/1/24 – 9/30/25	155,087	-
Pennsylvania Refugee Health Promotion		93.566	10/1/23 – 9/30/25	12,572	-
Pennsylvania Afghan Refugee Health Promotion		93.566	10/1/23 – 9/30/25	83,016	-
Pennsylvania Ukrainian Refugee Health Promotion		93.566	10/1/23 – 9/30/25	41,530	-
Pass-through United States Committee on Refugees and Immigrants Keystone Mental Health Program		93.566	10/1/23 – 9/30/25	<u>65,215</u>	<u>-</u>
Total 93.566				<u>615,706</u>	<u>-</u>
Pass-through Philadelphia Department of Public Health: Preparedness Program		93.391	9/30/24 – 9/29/25	<u>41</u>	<u>-</u>
Survivors of Torture – Direct Assistance		93.604	9/30/22 – 9/29/27	<u>160,125</u>	<u>-</u>
Pass- through Pennsylvania Coalition Against Domestic Violence Sub-award from Lutheran Settlement House (Phila) Family Violence Prevention & Services - Culturally Specific		93.496	7/1/24 – 6/30/25	<u>1,273</u>	<u>-</u>
Pass-through the Pennsylvania Department of Human Services Wilson/Fish Program		93.583	10/1/24 – 9/30/25	<u>25,318</u>	<u>-</u>
Total – U.S. Department of Health & Human Services				<u>1,663,969</u>	<u>59,857</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)

For The Period June 1, 2025 – September 30, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal ALN</u>	<u>Grant Period</u>	<u>Expenditures</u>	<u>Provided to Subrecipients</u>
Federal Financial Awards				
U.S. Department of Justice				
Pass-through Pennsylvania Commission on Crime and Delinquency Immigrant Victims of Crime	33116	10/1/20 – 12/31/25	<u>154,084</u>	<u>-</u>
Specialized Services for Victims of Trafficking in Southeastern Pennsylvania – Direct Assistance	16.320	10/1/22 – 9/30/25	<u>71,715</u>	<u>-</u>
Pass-through Pennsylvania Commission on Crime and Delinquency Services for Immigrant Victims of Crime	16.588	1/1/23 – 12/31/25	<u>33,984</u>	<u>-</u>
Total – U.S. Department of Justice			<u>259,783</u>	<u>-</u>
U.S Department of Labor				
Pass-through Pennsylvania Department of Labor and Industry Sub-award from Philadelphia Works WIOA Youth Activities - Youth Internship & Career Readiness	17.259	7/1/24 – 6/30/25	<u>78,094</u>	<u>-</u>
Total Federal Awards			<u>\$ 2,083,746</u>	<u>\$ 59,857</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Period June 1, 2025 – September 30, 2025

(1) GENERAL INFORMATION

The accompanying schedule of expenditures of federal and local awards presents the activities in all federal awards programs of the Center. All financial awards received directly from federal agencies as well as federal financial awards passed through other governmental agencies are included on the schedule.

(2) BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards is presented using the accrual basis of accounting. 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.”* The amounts reported in this schedule as expenditures may differ from certain financial reports submitted on either a cash or modified accrual basis of accounting.

(3) REVENUE RECOGNITION

All programs have recognized revenue only to the extent of their contractual funding limitations. Expenditures exceeding grant or contract budget limitations are funded from other sources. Those expenditures, if any, are not included in these schedules.

(4) INDIRECT COST RATE

The Center has a negotiated indirect cost rate; as such, the Center did not elect to use the 15% de minimis indirect cost rate.

(5) RECONCILIATION TO THE FINANCIAL STATEMENTS

Grants and contracts without donor restrictions	\$ 2,397,327
Other private grants without donor restrictions	<u>(313,581)</u>
Federal award expenditures	<u>\$ 2,083,746</u>

SECTION II

**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**

**Board of Trustees
 Nationalities Service Center of Philadelphia, Inc.
 Philadelphia, Pennsylvania**

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 the Nationalities Service Center of Philadelphia, Inc. (the “Center”), which comprise the statement of financial position as of September 30, 2025, and the related statement of activities, and cash flows for the four-month period then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2026.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center’s financial statements are free of 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Board of Trustees
Nationalities Service Center of Philadelphia, Inc.
Philadelphia, Pennsylvania**

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 Center'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.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
June 30, 2026**

SECTION III

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**Board of Trustees
Nationalities Service Center of Philadelphia, Inc.
Philadelphia, Pennsylvania**

Report On Compliance For Each Major Federal Program

Opinion On Each Major Federal Program

We have audited the compliance of Nationalities Service Center of Philadelphia, Inc. (*the "Center"*) with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on its major federal programs for the period June 1, 2025 – September 30, 2025. The Center'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, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the four-month period ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center 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 the Center'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 the Center's federal programs.

**Board of Trustees
Nationalities Service Center of Philadelphia, Inc.
Philadelphia, Pennsylvania**

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 the Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Center'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 the Center'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 the Center'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 the Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

**Board of Trustees
Nationalities Service Center of Philadelphia, Inc.
Philadelphia, Pennsylvania**

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
June 30, 2026**

SECTION IV

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Period June 1, 2025 – September 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- (i) Type of auditor’s report issued: Unmodified
- (ii) Internal control over financial reporting:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified not
considered to be material weaknesses? Yes X None Reported
- (iii) Noncompliance material to financial statements noted? Yes X No

Federal Awards

- (iv) Internal control over major programs:
Material weakness(es) identified? Yes X No
Significant deficiency(ies) identified not
considered to be material weaknesses? Yes X None Reported
- (v) Type of auditor’s report issued on compliance for
major programs: Unmodified
- (vi) Any audit findings disclosed that are required to
be reported in accordance with 2 CFR Section
200.516(a) of the Uniform Guidance Yes X No
- (vii) Identification of major programs:

Name of Federal Program or Cluster

Assistance Listing Number

- Refugee and Entrant Assistance Discretionary Grants 93.576
- Dollar threshold used to distinguish between
Type A and Type B Programs: \$1,000,000
- (ix) Auditee qualified as low-risk Auditee? X Yes No

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)

For The Period June 1, 2025 – September 30, 2025

Part II – Financial Statement Finding Section:

No matters reportable for the four-month period ended September 30, 2025.

Part III – Federal Awards Findings and Questioned Cost Section:

Period ended September 30, 2025

No findings or questioned costs noted.

Status of Prior Year Findings:

No findings or questioned costs noted.