

**NATIONALITIES SERVICE CENTER OF
PHILADELPHIA, INC.**

SINGLE AUDIT REPORT

YEAR ENDED MAY 31, 2015

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

TABLE OF CONTENTS

	<u>Section</u>
Financial Statements and Independent Auditors' Report (OMB A-133 Audit)	1
Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	2
Independent Auditor's Report on Compliance With Requirements That Could Have A Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	3
Schedule of Findings and Questioned Costs	4

SECTION I

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

***FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
(OMB A-133 AUDIT)***

MAY 31, 2015 AND 2014

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
<i>Statements of Financial Position,</i> May 31, 2015 and 2014	3
<i>Statement of Activities,</i> Year ended May 31, 2015	4
<i>Statement of Activities,</i> Year ended May 31, 2014	4
<i>Statements of Cash Flows,</i> Years ended May 31, 2015 and 2014	6
<i>Notes to Financial Statements</i>	7
SUPPLEMENTAL INFORMATION	
<i>Schedule of Functional Expenses,</i> Year ended May 31, 2015	16
<i>Schedule of Functional Expenses,</i> Year ended May 31, 2014	17
<i>Schedule of Expenditures of Federal and Local Awards,</i> Year ended May 31, 2015	18

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

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 May 31, 2015 and 2014, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of May 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

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 Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of The Center'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 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 The Center's internal control over financial reporting and compliance.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
December 10, 2015**

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

STATEMENTS OF FINANCIAL POSITION

May 31, 2015 And 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 505,341	\$ 459,258
Investments	913,565	-
Contracts and accounts receivable	402,301	379,420
Contributions receivable	50,000	22,000
Prepaid expenses	<u>33,319</u>	<u>46,962</u>
Total current assets	<u>1,904,526</u>	<u>907,640</u>
Property and equipment, net	<u>939,795</u>	<u>996,669</u>
Total Assets	<u>\$ 2,844,321</u>	<u>\$ 1,904,309</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 244,742</u>	<u>\$ 213,677</u>
Total current liabilities	<u>244,742</u>	<u>213,677</u>
OTHER LIABILITIES		
Pension plan liability	<u>372,657</u>	<u>499,762</u>
Total Liabilities	<u>617,399</u>	<u>713,439</u>
NET ASSETS		
Unrestricted	1,861,311	1,168,870
Temporarily restricted	<u>365,611</u>	<u>22,000</u>
Total Net Assets	<u>2,226,922</u>	<u>1,190,870</u>
Total liabilities and net assets	<u>\$ 2,844,321</u>	<u>\$ 1,904,309</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

STATEMENT OF ACTIVITIES

Year Ended May 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contracts	\$ 2,543,839	\$205,250	\$ 2,749,089
United Way of Southeastern PA	2,493	-	2,493
Contributions	899,220	361,338	1,260,558
Service fees	1,183,896	-	1,183,896
Investment income	78,471	-	78,471
Other	8,254	-	8,254
Temporarily restricted net assets released from restrictions	<u>222,977</u>	<u>(222,977)</u>	<u>-</u>
Total revenue and support – cash	<u>4,939,150</u>	<u>343,611</u>	<u>5,282,761</u>
In-kind goods and services	<u>1,115,691</u>	<u>-</u>	<u>1,115,691</u>
Total revenues and support	<u>6,054,841</u>	<u>343,611</u>	<u>6,398,452</u>
EXPENSES			
Programs			
Refugee services	2,352,391	-	2,352,391
Senior Center	76,772	-	76,772
Translation/Interpreting	694,928	-	694,928
Legal assistance	433,056	-	433,056
Education	<u>204,645</u>	<u>-</u>	<u>204,645</u>
Total program expense	<u>3,761,792</u>	<u>-</u>	<u>3,761,792</u>
Supporting services			
Management and general	322,685	-	322,685
Fundraising	<u>132,267</u>	<u>-</u>	<u>132,267</u>
Total supporting services	<u>454,952</u>	<u>-</u>	<u>454,952</u>
Total expenses – cash	<u>4,216,744</u>	<u>-</u>	<u>4,216,744</u>
In-kind goods and services	<u>1,115,691</u>	<u>-</u>	<u>1,115,691</u>
Total expenses	<u>5,332,435</u>	<u>-</u>	<u>5,332,435</u>
Excess revenues over expenses	722,406	343,611	1,066,017
OTHER CHANGES			
Net actuarial loss on defined benefit plan	<u>(29,965)</u>	<u>-</u>	<u>(29,965)</u>
Total other changes	<u>(29,965)</u>	<u>-</u>	<u>(29,965)</u>
CHANGE IN NET ASSETS	692,441	343,611	1,036,052
NET ASSETS			
Beginning of year	<u>1,168,870</u>	<u>22,000</u>	<u>1,190,870</u>
End of year	<u>\$ 1,861,311</u>	<u>\$365,611</u>	<u>\$ 2,226,922</u>

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

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

STATEMENT OF ACTIVITIES

Year Ended May 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT			
Grants and contracts	\$ 2,471,649	\$ 20,000	\$ 2,491,649
United Way of Southeastern PA	22,375	-	22,375
Contributions	204,782	2,000	206,782
Service fees	1,071,388	-	1,071,388
Investment income	1,425	-	1,425
Other	7,547	-	7,547
Temporarily restricted net assets released from restrictions	<u>20,000</u>	<u>(20,000)</u>	<u>-</u>
Total revenue and support – cash	<u>3,799,166</u>	<u>2,000</u>	<u>3,801,166</u>
In-kind goods and services	<u>1,033,279</u>	<u>-</u>	<u>1,033,279</u>
Total revenues and support	<u>4,832,445</u>	<u>2,000</u>	<u>4,834,445</u>
EXPENSES			
Programs			
Refugee services	2,311,235	-	2,311,235
Senior Center	186,234	-	186,234
Translation/Interpreting	602,134	-	602,134
Legal assistance	404,538	-	404,538
Education	<u>245,713</u>	<u>-</u>	<u>245,713</u>
Total program expense	<u>3,749,854</u>	<u>-</u>	<u>3,749,854</u>
Supporting services			
Management and general	274,055	-	274,055
Fundraising	<u>158,560</u>	<u>-</u>	<u>158,560</u>
Total supporting services	<u>432,615</u>	<u>-</u>	<u>432,615</u>
Total expenses – cash	<u>4,182,469</u>	<u>-</u>	<u>4,182,469</u>
In-kind goods and services	<u>1,033,279</u>	<u>-</u>	<u>1,033,279</u>
Total expenses	<u>5,215,748</u>	<u>-</u>	<u>5,215,748</u>
Excess (deficit) revenues over expenses	(383,303)	2,000	(381,303)
OTHER CHANGES			
Net actuarial gain on defined benefit plan	<u>14,246</u>	<u>-</u>	<u>14,246</u>
Total other changes	<u>14,246</u>	<u>-</u>	<u>14,246</u>
CHANGE IN NET ASSETS	(369,057)	2,000	(367,057)
NET ASSETS			
Beginning of year	<u>1,537,927</u>	<u>20,000</u>	<u>1,557,927</u>
End of year	<u>\$ 1,168,870</u>	<u>\$ 22,000</u>	<u>\$ 1,190,870</u>

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

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

STATEMENTS OF CASH FLOWS

Years Ended May 31, 2015 And 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$1,036,052	\$(367,057)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	80,145	78,639
Realized and unrealized gains	(71,566)	-
Contributed stock gifts	(841,999)	-
(Increase) decrease in:		
Contracts and accounts receivable	(22,881)	35,955
Promises to give	(28,000)	(2,000)
Prepaid expenses	13,643	(17,847)
Increase (decrease) in:		
Accounts payable and accrued expenses	31,065	53,669
Pension plan liability	<u>(127,105)</u>	<u>(9,923)</u>
Cash provided by (used in) operating activities	<u>69,354</u>	<u>(228,564)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(23,271)</u>	<u>(26,222)</u>
Cash used in investing activities	<u>(23,271)</u>	<u>(26,222)</u>
Net increase (decrease) in cash and cash equivalents	46,083	(254,786)
CASH AND CASH EQUIVALENTS,		
Beginning of fiscal year	<u>459,258</u>	<u>714,044</u>
End of fiscal year	<u>\$ 505,341</u>	<u>\$ 459,258</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS

May 31, 2015 And 2014

(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.

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 three classes of net assets:

Unrestricted Net Assets

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

Temporarily Restricted Net Assets

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

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that are maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the income earned on related investments for general or specific purposes, subject to limitations specified by Commonwealth of Pennsylvania Law. There were no permanently restricted net assets as May 31, 2015 and 2014.

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 mutual funds in which fair market value at May 31, 2015 and 2014 was \$265,571 and \$259,515, respectively.

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.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS

May 31, 2015 And 2014

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 May 31, 2015 and 2014, approximate their fair market value because of their short maturities.

CONTRIBUTIONS AND PROMISES TO GIVE

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases that net asset class. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "*net assets released from restrictions*".

CONTRACTS AND ACCOUNTS RECEIVABLE

Contracts 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. At May 31, 2015 and 2014, the organization believes all contracts and accounts receivable are fully collectible, and as such, no allowance for doubtful accounts was established.

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

EXCHANGE TRANSACTIONS

The Center accounts for its revenue from government and other contracts as exchange transactions. Revenue is recognized in the statement of activities when earned, and any amounts received but not earned are recorded as refundable advances on the statement of financial position.

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.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

May 31, 2015 And 2014

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 amount the programs and supporting services benefited, primarily based upon the relative time spent by the Center's employees on each function.

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 tax years (2012 - 2014) or expected to be taken in the Center's 2015 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

(2) PLEDGES AND PROMISES TO GIVE

Pledge and promises to give at May 31 are as follows:

	<u>2015</u>	<u>2014</u>
Receivable in less than one year	\$ 40,000	\$ 22,000
Receivable in one to five years	<u>10,000</u>	<u>-</u>
Total receivables, pledges, and promises to give	<u>\$ 50,000</u>	<u>\$ 22,000</u>

(3) INVESTMENTS

The following represents the fair value of investments as of May 31, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Equity Securities	\$ 913,565	\$ -
Total	<u>\$ 913,565</u>	<u>\$ -</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

May 31, 2015 And 2014

(4) FAIR VALUE OF FINANCIAL INSTRUMENTS

NSC 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 NSC’s assets that are carried at fair value as of May 31, 2015 and 2014 is as follows:

	<u>2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity Securities	<u>\$ 913,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913,565</u>
Total Investments	<u>\$ 913,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913,565</u>

(5) PROPERTY, BUILDINGS AND EQUIPMENT

A summary of property, buildings and equipment is as follows at May 31:

	<u>2015</u>	<u>2014</u>
Office condominium	\$ 1,423,133	\$ 1,423,133
Furniture and fixtures	360,188	352,911
Construction-in-progress	<u>15,994</u>	<u>-</u>
	1,799,315	1,776,044
Less accumulated depreciation	<u>(859,520)</u>	<u>(779,375)</u>
Property, buildings and equipment, net	<u>\$ 939,795</u>	<u>\$ 996,669</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

May 31, 2015 And 2014

(6) NET ASSETS

Temporarily restricted net assets at May 31, 2015 and 2014 are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Use in future periods – promises to give	\$ 20,000	\$ 22,000
Capital improvements	230,477	-
Domestic violence program	51,667	-
Mental health specialist	21,887	-
Home gardens project	14,305	-
Website improvements	<u>27,275</u>	<u>-</u>
	<u>\$ 365,611</u>	<u>\$ 22,000</u>

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

	<u>2015</u>
Time restrictions expired	\$ 22,000
Capital improvements	16,111
Domestic violence program	8,333
Mental health specialist	28,113
Home gardens project	695
Employee retirement plans	140,000
Website improvements	<u>7,725</u>
	<u>\$ 222,977</u>

(7) 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.

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.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

May 31, 2015 And 2014

The following sets forth information regarding the plan as of and for the years ended May 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
<u>Change in Benefit Obligation</u>		
Benefit obligation at the beginning of year	\$ 1,329,136	\$ 1,419,090
Service cost – benefits earned during the period	7,475	11,150
Interest cost on projected benefit obligation	47,194	51,287
Change due to assumption changes	25,634	34,097
Actuarial (gains)/losses	7,507	54,205
Annuities purchased or benefits paid	(7,475)	(11,150)
Expense charges	<u>(43,844)</u>	<u>(229,543)</u>
Benefit obligation at end of year	<u>\$ 1,365,627</u>	<u>\$ 1,329,136</u>
<u>Change in Plan Assets</u>		
Fair value of plan assets at beginning of year	\$ 829,374	\$ 909,405
Actual return on plan assets	57,541	103,797
Employer contributions	157,374	56,865
Annuities purchased or benefits paid (including expense charges)	<u>(51,319)</u>	<u>(240,693)</u>
Fair value of plan assets at end of year	<u>\$ 992,970</u>	<u>\$ 829,374</u>
Funded status and amount recognized in Statement of Financial Position for Pension Plan Liability	<u>\$ (372,657)</u>	<u>\$ (499,762)</u>
<u>Components of Net Periodic Benefit Cost</u>		
Interest cost on projected benefit obligation	\$ 54,669	\$ 62,437
Actual return on plan assets	(66,592)	(74,581)
Amortization of loss	<u>12,227</u>	<u>11,969</u>
Total net periodic benefit cost (credit)	<u>\$ 304</u>	<u>\$ (175)</u>
Weighted-average assumptions used to determine benefit obligations at:		
Discount rate	3.4%	3.6%
Expected long-term return on net assets	8.0%	8.0%
Rate of compensation increase	0.0%	0.0%
Weighted-average assumptions used to determine net periodic benefit cost for years ending at:		
Discount rate	3.6%	3.9%
Expected long-term return on net assets	8.0%	8.0%
Rate of compensation increase	0.0%	0.0%

The expected long-term rate of return on net assets assumption of 8.0% was selected using the “building-block” approach described by the Actuarial Standards Board in Actuarial Standards of Practice No. 27.

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

May 31, 2015 And 2014

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

	<u>2015</u>	<u>2014</u>
Net actuarial gain (loss)	<u>\$(29,965)</u>	<u>\$ 14,246</u>

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. At May 31, plan assets are as follows:

	<u>2015</u>		<u>2014</u>	
Equity	\$ 543,311	54.72%	\$ 524,281	63.22%
Fixed Income	270,607	27.25%	232,847	28.07%
General Account	79,052	7.96%	72,246	8.71%
Cash	<u>100,000</u>	<u>10.07%</u>	<u>-</u>	<u>0.00%</u>
	<u>\$ 992,970</u>	<u>100.00%</u>	<u>\$ 829,374</u>	<u>100.00%</u>

The Center contributed \$157,374 and \$56,865 to the defined benefit pension plan during the years ended May 31, 2015 and 2014, respectively. The following benefit payments are expected to be paid from the assets of the pension plan in following fiscal years as follows:

<u>Fiscal</u> <u>Year-End</u>	
2016	\$ 259,000
2017	\$ 26,000
2018	\$ 75,000
2019	\$ 37,000
2020	\$ 171,000
2021-2025	\$ 506,000

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

May 31, 2015 And 2014

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 Institute’s plan assets carried at fair value as of May 31, 2015 and 2014 were as follows:

	2015			
	Total	Level 1 Quoted Prices	Level 2 Other Significant Inputs	Level 3 Significant Unobservable Inputs
Fixed Income	\$ 543,311	\$ 543,311	\$ -	\$ -
Equities	270,607	270,607	-	-
Cash	<u>100,000</u>	<u>100,000</u>	-	-
	<u>\$ 913,918</u>	<u>\$ 913,918</u>	<u>\$ -</u>	<u>\$ -</u>

	2014			
	Total	Level 1 Quoted Prices	Level 2 Other Significant Inputs	Level 3 Significant Unobservable Inputs
Fixed Income	\$ 524,281	\$ 524,281	\$ -	\$ -
Equities	<u>232,847</u>	<u>232,847</u>	-	-
	<u>\$ 757,128</u>	<u>\$ 757,128</u>	<u>\$ -</u>	<u>\$ -</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

May 31, 2015 And 2014

(8) CONCENTRATION OF REVENUE SOURCES

For the years ended May 31, 2015 and 2014, the Center received approximately 45% and 59%, respectively, of its total revenue from one funding source (the Federal Government), (directly and indirectly, through other organizations) for a range of refugee support resettlement services. Substantially all of this funding was awarded on a per capita basis, with the increased funding directly reflecting an expansion of numbers of refugees resettled.

(9) 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.

(10) SUBSEQUENT EVENTS

In preparing these financial statements, management of the Center has evaluated events and transactions for potential recognition or disclosure through December 10, 2015, the date of the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended May 31, 2015

	<u>Refugee Services</u>	<u>Senior Center</u>	<u>Translation/ Interpreting</u>	<u>Legal</u>	<u>Education</u>	<u>Total</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total Expense</u>
Salaries	\$ 768,139	\$ 24,750	\$ 221,958	\$ 238,243	\$ 105,528	\$ 1,358,618	\$ 219,672	\$ -	\$ 1,578,290
Employee pension expense	19,616	632	5,668	6,084	2,695	34,695	5,609	-	40,304
Other employee benefits and payroll taxes	181,211	5,240	53,038	57,438	25,754	322,681	21,734	-	344,415
Total salaries, benefits and taxes	<u>968,966</u>	<u>30,622</u>	<u>280,664</u>	<u>301,765</u>	<u>133,977</u>	<u>1,715,994</u>	<u>247,015</u>	<u>-</u>	<u>1,963,009</u>
Professional fees and contracted services	354,747	1,947	348,757	68,985	11,066	785,502	14,225	82,759	882,486
Supplies, telephone and postage	46,157	20,348	9,789	13,143	5,232	94,669	7,070	5,319	107,058
Occupancy	37,058	9,725	10,574	11,350	5,027	73,734	10,466	3,703	87,903
Repairs	11,892	706	3,000	3,220	1,426	20,244	2,967	1,051	24,262
Equipment and maintenance	28,036	738	9,543	9,030	4,081	51,428	6,545	2,316	60,289
Printing and teaching materials	646	-	299	212	34,382	35,539	859	1,073	37,471
Travel	34,929	242	2,085	2,306	-	39,562	1,677	117	41,356
Conferences and meetings	759	-	720	625	865	2,969	1,115	34	4,118
Dues and subscriptions	640	-	1,458	5,279	123	7,500	3,999	25	11,524
Insurance	11,496	367	3,289	4,936	1,564	21,652	3,255	1,152	26,059
Specific assistance to individuals	806,228	-	-	-	-	806,228	-	-	806,228
Depreciation and amortization	37,175	1,198	10,742	11,530	5,107	65,752	10,630	3,763	80,145
Special event expense	1,000	-	-	-	-	1,000	-	27,348	28,348
Bad debt expense	-	-	8,106	-	-	8,106	-	-	8,106
Miscellaneous	12,662	10,879	5,902	675	1,795	31,913	12,862	3,607	48,382
Total expenses – cash	<u>2,352,391</u>	<u>76,772</u>	<u>694,928</u>	<u>433,056</u>	<u>204,645</u>	<u>3,761,792</u>	<u>322,685</u>	<u>132,267</u>	<u>4,216,744</u>
In-kind goods and services	447,561	-	-	190,369	424,000	1,061,930	53,761	-	1,115,691
Total expenses	<u>\$ 2,799,952</u>	<u>\$ 76,772</u>	<u>\$ 694,928</u>	<u>\$ 623,425</u>	<u>\$ 628,645</u>	<u>\$ 4,823,722</u>	<u>\$ 376,446</u>	<u>\$ 132,267</u>	<u>\$ 5,332,235</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended May 31, 2014

	<u>Refugee Services</u>	<u>Senior Center</u>	<u>Translation/ Interpreting</u>	<u>Legal</u>	<u>Education</u>	<u>Total</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total Expense</u>
Salaries	\$ 717,358	\$ 63,201	\$ 154,334	\$ 235,359	\$ 111,413	\$ 1,281,665	\$ 167,604	\$ -	\$ 1,449,269
Employee pension expense	30,286	2,668	6,516	9,936	4,704	54,110	7,078	-	61,188
Other employee benefits and payroll taxes	<u>159,608</u>	<u>14,062</u>	<u>34,338</u>	<u>52,366</u>	<u>24,789</u>	<u>285,163</u>	<u>37,291</u>	-	<u>322,454</u>
Total salaries, benefits and taxes	<u>907,252</u>	<u>79,931</u>	<u>195,188</u>	<u>297,661</u>	<u>140,906</u>	<u>1,620,938</u>	<u>211,973</u>	-	<u>1,832,911</u>
Professional fees and contracted services	371,575	5,700	349,369	41,801	14,468	782,913	11,419	85,659	879,991
Supplies, telephone and postage	45,798	56,726	7,586	15,260	6,843	132,213	6,116	6,203	144,532
Occupancy	34,188	19,896	7,355	11,217	5,310	77,966	7,988	3,822	89,776
Repairs	16,733	4,776	2,441	3,723	1,763	29,436	2,651	1,269	33,356
Equipment and maintenance	29,000	2,223	9,173	13,328	5,422	59,146	5,895	2,821	67,862
Printing and teaching materials	1,014	-	153	165	59,808	61,140	361	15,195	76,696
Travel	36,030	195	1,797	2,139	-	40,161	1,835	-	41,996
Conferences and meetings	2,165	-	1,062	40	3,033	6,300	654	-	6,954
Dues and subscriptions	590	300	6,718	1,818	-	9,426	10,535	-	19,961
Insurance	12,040	1,061	2,590	5,085	1,870	22,646	2,813	1,346	26,805
Specific assistance to individuals	804,985	-	-	-	-	804,985	-	-	804,985
Depreciation and amortization	36,884	3,250	7,935	12,101	5,728	65,898	8,617	4,124	78,639
Special event expense	-	-	-	-	-	-	-	31,819	31,819
Miscellaneous	<u>12,981</u>	<u>12,176</u>	<u>10,767</u>	<u>200</u>	<u>562</u>	<u>36,686</u>	<u>3,198</u>	<u>6,302</u>	<u>46,186</u>
Total expenses – cash	<u>2,311,235</u>	<u>186,234</u>	<u>602,134</u>	<u>404,538</u>	<u>245,713</u>	<u>3,749,854</u>	<u>274,055</u>	<u>158,560</u>	<u>4,182,469</u>
In-kind goods and services	<u>362,248</u>	<u>7,544</u>	-	<u>185,545</u>	<u>417,600</u>	<u>972,937</u>	<u>60,342</u>	-	<u>1,033,279</u>
Total expenses	<u>\$ 2,673,483</u>	<u>\$ 193,778</u>	<u>\$ 602,134</u>	<u>\$ 590,083</u>	<u>\$ 663,313</u>	<u>\$ 4,722,791</u>	<u>\$ 334,397</u>	<u>\$ 158,560</u>	<u>\$ 5,215,748</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND LOCAL AWARDS

Year Ended May 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Expenditures</u>	<u>Questioned Cost</u>
Federal Financial Awards				
U.S. Department of State				
Bureau of Population, Refugees and Migration				
Pass-through United States Committee of Refugees and Immigrants:				
Reception and Placement Program	19.510	10/1/13 – 9/30/14		
	19.510	10/1/14 – 9/30/15	\$ 802,925	\$ -
Populations, Refugees and Migration (PRM) Study of Domestic Capacity to Provide Medical Care for Vulnerable Refugees Project	19.522	9/1/13 – 8/31/14	5,087	-
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	10/1/13 – 9/30/14		
	93.567	10/1/14 – 9/30/15	542,520	-
Preferred Communities Program	93.576	10/1/14 – 9/30/15	14,628	-
National Human Trafficking Victim Assistance	93.598	9/30/13 – 9/29/14	57,062	-
Preferred Communities Program for Newly Arriving Refugees with Intensive Case Management Needs	93.576	9/30/13 – 9/29/14		
	93.576	9/30/14 – 9/29/15	57,154	-
Iranian Refugee Parole Program	93.576	12/15/14- 12/15/16	18,253	-
Pass-through US Conference of Catholic Bishops Migration and Refugee Services:				
Unaccompanied Alien Children Program	93.676	9/30/13 – 9/29/14	9,200	-
Pass-through the Pennsylvania Bureau of Employment and Training Programs				
Refugee and Employment Advancement Program	93.584	10/1/13 – 9/30/14		
		10/1/14 – 9/30/15	349,487	-

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND LOCAL AWARDS – (Continued)

Year Ended May 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Expenditures</u>	<u>Questioned Cost</u>
Federal Financial Awards				
Pass-through Thomas Jefferson University				
Strengthening Surveillance for Diseases Among	93.283	9/30/13 – 9/29/14		
Newly-Arrived Immigrants and Refugees	93.283	9/30/14 – 9/29/15	<u>14,627</u>	<u>-</u>
Survivors of Torture – Direct Assistance	93.604	9/30/13 – 9/29/14		
	93.604	9/30/14 – 9/29/15	<u>322,752</u>	<u>-</u>
ORR – Greater Philadelphia Anti-Human Trafficking Campaign	93.598	7/1/14 – 6/30/15	<u>82,729</u>	<u>-</u>
U.S. Department of Justice				
Legal Services for Latina Immigrant Victims of Violence	16.524	10/1/13 – 9/30/16	<u>89,649</u>	<u>-</u>
Total Federal Awards			<u>2,366,073</u>	<u>-</u>
Local Awards				
Pass-through Philadelphia Corporation for Aging				
Nutrition Services Program		7/1/13 – 6/30/14		
		7/1/14 – 6/30/15	<u>69,480</u>	<u>-</u>
Total Local Awards			<u>69,480</u>	<u>-</u>
Total Federal and Local Awards			<u>\$ 2,435,553</u>	<u>\$ -</u>

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND LOCAL AWARDS

Year Ended May 31, 2015

(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 OMB Circular A-133 *“Audits of States, Local Governments and Non-Profit Organizations.”* 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.

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 May 31, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2015.

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.

We did note certain other matters that we reported to management of the Center in a separate letter dated November __, 2015.

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

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*.

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
December 10, 2015**

SECTION III

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the Nationalities Service Center of Philadelphia, Inc. (the “Center”)’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center’s major federal programs for the year ended May 31, 2015. 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.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Center’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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 each of its major federal programs for the year ended May 31, 2015.

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

Report on Internal Control Over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**Philadelphia, Pennsylvania
December 10, 2015**

SECTION IV

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended May 31, 2015

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 No
Significant deficiency(ies) identified not considered to be material weaknesses? Yes None Reported
- (iii) Noncompliance material to financial statements noted? Yes No

Federal Awards

- (iv) Internal control over major programs:
Material weakness(es) identified? Yes No
Significant deficiency(ies) identified not considered to be material weaknesses? Yes 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 Circular A-133, Section .510(a)? Yes No
- (vii) Identification of major programs:

Name of Federal Program or Cluster

CFDA’s

- | | |
|---|--------|
| U.S. Dept. of Health and Human Services
Refugee Assistance Voluntary Agency Programs | 93.567 |
| U.S. Dept. of State
Reception and Placement Program | 19.510 |
- (viii) Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000
- (ix) Auditee qualified as low-risk Auditee? Yes No

NATIONALITIES SERVICE CENTER OF PHILADELPHIA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)

Year Ended May 31, 2015

Part II – Financial Statement Finding Section:

No matters reportable for the year ended May 31, 2015.

Part III – Federal Awards Findings and Questioned Cost Section:

Year ended May 31, 2015

No findings or questioned costs noted.

Status of Prior Year Findings:

No findings or questioned costs noted.