

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

**Consolidated Financial Statements
For the Year Ended September 30, 2021
(With Comparative Totals for 2020)
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
For the Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
HIAS and Council Migration Service of Philadelphia, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HIAS and Council Migration Service of Philadelphia, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2021, the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of HIAS and Council Migration Service of Philadelphia, Inc. as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 20 and 21 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of HIAS and Council Migration Service of Philadelphia, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of HIAS and Council Migration Service of Philadelphia, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HIAS and Council Migration Service of Philadelphia, Inc.'s internal control over financial reporting and compliance.



MITCHELL TITUS

Report on Summarized Comparative Information

The consolidated financial statements of HIAS and Council Migration Service of Philadelphia, Inc. for the year ended September 30, 2020, were audited by another auditor, who expressed an unmodified opinion on those consolidated financial statements on June 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Mitchell Titus, LLP

June 30, 2022

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
Consolidated Statement of Financial Position
As of September 30, 2021
(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,086,180	\$ 529,516
Investments	3,351,920	2,846,848
Accounts receivables	1,170,888	1,083,024
Grants receivable	702,685	868,121
Prepaid expenses	45,606	2,933
Security deposits	5,400	5,953
Deposits on office equipment and improvements	-	519,892
Equipment and leasehold improvements, net	490,073	20,722
Total assets	<u>\$ 6,852,752</u>	<u>\$ 5,877,009</u>
LIABILITIES AND NET ASSETS		
<i>Liabilities</i>		
Accounts payable and accrued expenses	\$ 227,393	\$ 227,051
Payroll withholding payable	(9,234)	10,379
Accrued expenses	266,213	-
Deferred revenue	-	22,782
Note payable	-	591,700
Total liabilities	<u>484,372</u>	<u>851,912</u>
<i>Net assets</i>		
<i>Without donor restrictions</i>		
Other unrestricted	2,272,953	958,210
Designated by the Board	3,351,920	2,841,407
Total without donor restrictions	<u>5,624,873</u>	<u>3,799,617</u>
With donor restrictions	743,507	1,225,480
Total net assets	<u>6,368,380</u>	<u>5,025,097</u>
Total liabilities and net assets	<u>\$ 6,852,752</u>	<u>\$ 5,877,009</u>

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

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Consolidated Statement of Activities

Year ended September 30, 2021

(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
SUPPORT AND REVENUE				
Government grants and contracts	\$ 3,596,021	\$ -	\$ 3,596,021	\$ 3,662,658
Grants - other	558,940	472,080	1,031,020	2,108,769
Contributions and fundraising	2,074,197	-	2,074,197	729,918
In-kind contributions	1,361,446	-	1,361,446	1,238,288
Service fees	6,171	-	6,171	26,516
Investment income	510,879	-	510,879	323,968
Other: PPP Forgiven	591,700	-	591,700	-
<i>Net assets released from restriction</i>				
Satisfaction of program restrictions	954,053	(954,053)	-	-
Total support and revenue	<u>9,653,408</u>	<u>(481,973)</u>	<u>9,171,435</u>	<u>8,090,117</u>
EXPENSES AND LOSSES				
<i>Programs</i>				
Resettlement program	1,815,474	-	1,815,474	1,320,698
Legal services	3,947,520	-	3,947,520	4,045,804
Citizenship program	554,087	-	554,087	228,717
Asylee program	253,164	-	253,164	155,817
PHILS	169,904	-	169,904	124,835
Total programs	<u>6,740,149</u>	<u>-</u>	<u>6,740,149</u>	<u>5,875,871</u>
<i>Support services</i>				
General and administrative	726,285	-	726,285	785,020
Fundraising	361,718	-	361,718	203,660
Total support services	<u>1,088,003</u>	<u>-</u>	<u>1,088,003</u>	<u>988,680</u>
Total expenses	<u>7,828,152</u>	<u>-</u>	<u>7,828,152</u>	<u>6,864,551</u>
Change in net assets	1,825,256	(481,973)	1,343,283	1,225,566
Net assets, beginning of year	<u>3,799,617</u>	<u>1,225,480</u>	<u>5,025,097</u>	<u>3,799,531</u>
Net assets, end of year	<u>\$ 5,624,873</u>	<u>\$ 743,507</u>	<u>\$ 6,368,380</u>	<u>\$ 5,025,097</u>

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

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Consolidated Statement of Functional Expenses

Year Ended September 30, 2021

(With Comparative Totals for 2020)

	Resettlement Program	Legal Services	Citizenship Program	Asylee Program	PHILS	Total Programs	General and Administration	Fundraising	2021 Totals	2020 Totals
PERSONNEL EXPENSES										
Salaries	\$ 816,617	\$ 1,300,043	\$ 338,203	\$ 149,616	\$ 137,681	\$ 2,742,160	\$ 357,372	\$ 214,878	\$ 3,314,410	\$ 2,967,893
Payroll taxes	64,832	103,265	26,850	11,878	10,877	217,702	28,372	17,059	263,133	233,102
Retirement	67,807	119,380	28,082	12,423	-	227,692	29,674	17,842	275,208	263,434
Employee benefits	65,112	110,130	26,966	11,929	4,506	218,643	46,215	17,133	281,991	237,984
	<u>1,014,368</u>	<u>1,632,818</u>	<u>420,101</u>	<u>185,846</u>	<u>153,064</u>	<u>3,406,197</u>	<u>461,633</u>	<u>266,912</u>	<u>4,134,742</u>	<u>3,702,413</u>
OPERATING EXPENSES										
Case management system	-	36,506	-	-	1,250	37,756	2,017	-	39,773	39,326
Conferences and staff development	3,897	6,412	1,614	714	449	13,086	1,705	1,025	15,816	6,479
Direct assistance and housing	372,998	-	-	7,236	-	380,234	23,354	-	403,588	470,177
Dues and subscriptions	4,035	7,127	1,671	739	(23)	13,549	1,766	1,062	16,377	20,081
Equipment rental	7,651	13,214	3,169	1,402	256	25,692	3,348	2,013	31,053	15,495
Insurance	6,769	11,731	2,804	1,240	187	22,731	2,962	1,781	27,474	20,617
Office supplies and educational supplies	17,347	23,302	6,177	2,733	2,958	52,517	6,744	13,004	72,265	81,825
Postage	4,251	7,319	1,761	779	165	14,275	1,860	1,119	17,254	29,314
Printing	1,407	2,477	583	258	-	4,725	616	370	5,711	-
Professional fees	72,109	124,453	29,864	13,211	2,500	242,137	31,557	18,974	292,668	275,371
Professional fees, In-kind	-	1,361,446	-	-	-	1,361,446	-	-	1,361,446	1,238,288
Program supplies	17,875	2,216	-	-	-	20,091	8,567	-	28,658	23,135
Purchase services	84,287	357,958	-	810	-	443,055	32,365	600	476,020	503,131
Rent and occupancy	154,908	263,839	64,155	28,381	8,889	520,172	67,791	40,761	628,724	277,074
Telephone and internet	42,908	75,334	17,771	7,861	210	144,084	18,778	11,291	174,153	110,046
Travel	10,664	21,368	4,417	1,954	-	38,403	4,667	2,806	45,876	39,672
	<u>801,106</u>	<u>2,314,701</u>	<u>133,986</u>	<u>67,318</u>	<u>16,841</u>	<u>3,333,952</u>	<u>208,097</u>	<u>94,806</u>	<u>3,636,855</u>	<u>3,150,031</u>
Total expenses before depreciation	1,815,474	3,947,519	554,087	253,164	169,905	6,740,149	669,730	361,718	7,771,597	6,852,444
Depreciation	-	-	-	-	-	-	56,555	-	56,555	12,107
	<u>\$ 1,815,474</u>	<u>\$ 3,947,519</u>	<u>\$ 554,087</u>	<u>\$ 253,164</u>	<u>\$ 169,905</u>	<u>\$ 6,740,149</u>	<u>\$ 726,285</u>	<u>\$ 361,718</u>	<u>\$ 7,828,152</u>	<u>\$ 6,864,551</u>

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

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
Consolidated Statement of Cash Flows
Year Ended September 30, 2021
(With Comparative Totals for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,343,283	\$ 1,225,566
<i>Adjustments to reconcile to cash from operations</i>		
Equipment and leasehold improvements, net	(469,351)	12,108
Gain on investments	(419,331)	(260,257)
Donated investments	-	(23,710)
Dividend income	(85,741)	(61,942)
<i>(Increase) decrease in</i>		
Accounts receivable	(87,864)	(186,666)
Grants receivable	165,436	(658,711)
Prepaid expenses	(42,673)	26,071
<i>Increase (decrease) in</i>		
Accounts payable and accrued expenses	342	2,488
accrued expenses	266,213	-
Payroll withholding payable	(19,613)	(2,357)
Deferred revenue	(22,782)	22,782
Net cash provided by operating activities	<u>627,919</u>	<u>95,372</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	219,463
Dividend income	85,741	61,942
Purchase of investments, Including reinvested dividends	(85,741)	(61,942)
Security deposit returned (paid)	553	11,114
Deposits on office equipment and improvements	519,892	(470,630)
Net cash provided by (used in) investing activities	<u>520,445</u>	<u>(240,053)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayment) of note payable	<u>(591,700)</u>	<u>591,700</u>
Net increase in cash for year	556,664	447,019
Cash and cash equivalents - beginning of year	<u>529,516</u>	<u>82,497</u>
Cash and cash equivalents- end of year	<u>\$ 1,086,180</u>	<u>\$ 529,516</u>

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

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 1 THE ORGANIZATION

The HIAS and Council Migration Service of Philadelphia (the Organization) is a not-for-profit organization located in Philadelphia, Pennsylvania that provides aid to immigrants. The Organization operates under the name HIAS Pennsylvania.

The Organization's programs and supporting services are as follows:

Citizenship program - provides application assistance, civics/ESL instruction and legal representation by a legal support team on behalf of refugees and immigrants seeking naturalization.

Legal Services program - provides immigration legal assistance by staff attorneys, law clerks, accredited representatives and paralegals to immigrants and refugees of limited means. This program also provides technical assistance to service providers and non-attorneys in the Organization and to the community at large.

Asylee Outreach Program - provides immigration legal services, including legal information, advice, direct representation and referral as well as case management services to low income asylees in Pennsylvania. In addition, the Program develops and disseminates material to professionals, service providers and asylees.

Resettlement program - provides resettlement and case management services for newly arrived refugees.

Fundraising - provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations as well as to secure government funding when available and appropriate.

General and administrative - includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, secure proper administrative functioning of the Board of Directors, and manage the financial and budgetary responsibilities of the Organization.

Pennsylvania HIAS Indigent Immigrant Legal Services (PHIILS) is a separate Section 501(c)(3) non-profit managed by HIAS Pennsylvania, which provides free immigration legal services to indigent individuals in Pennsylvania.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through June 30, 2022, which is the date the consolidated financial statements were available to be issued.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of Accounting

The Organization prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting.

Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Effective for the year ended September 30, 2020, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The implementation of ASU 2016-14 had no effect on the Organization's reporting of net assets.

Basis of Presentation

The consolidated financial statements are presented in accordance with FASB Accounting Standards Codification (ASC) 958, *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are detailed in Note 8.

Consolidation

These consolidated financial statements include HIAS and Council Migration Service of Philadelphia (HIAS Pennsylvania) and Pennsylvania HIAS Indigent Immigrant Legal Services (PHIILS). PHIILS is a not-for-profit organization incorporated by HIAS Pennsylvania, and is also related by common Board members. All significant intercompany balances and transactions have been eliminated.

Management Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Significant estimates are made in calculating the value of donated services.

Cash and other highly liquid investments with maturities of three months or less are considered to be cash equivalents.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
Notes to Consolidated Financial Statements
Years Ended September 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Management Estimates *(continued)*

Cash includes balances restricted to use within the guidelines of grants from the Organization's funding sources. These balances totaled approximately \$174,320 and \$380,200 as of September 30, 2021 and 2020, respectively.

Investments

In accordance with FASB ASC 820-10 (formerly SFAS No. 157), investments are reported using fair value measurements as detailed in Note 4.

Allowance for Uncollectible Amounts

Each account receivable and grant receivable is evaluated separately by management to determine collectability. An allowance for uncollectible amounts, if any, is based on this determination. There was no allowance at September 30, 2021 and 2020, as all amounts were considered collectible.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of furniture and equipment is provided over the estimated useful lives of the related assets, three to five years, using the straight-line method. Major renewals and improvements are recorded to the assets' accounts while maintenance and repair, which do not improve or extend the life of the respected assets, are expensed.

Contributions

In accordance with FASB ASC 958 (formerly SFAS No. 116) *Accounting for Contributions Received and Contribution Made*, contributions received are recorded as "without donor restrictions" or "with donor restrictions", depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as without donor restriction if the restriction expired in the reporting period in which the contribution was recognized.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
Notes to Consolidated Financial Statements
Years Ended September 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributions *(continued)*

All other donor-restricted support is reported as an increase in donor-restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Only a donor can impose a restriction; the Board may designate contributions for a purpose, but the contribution is classified as unrestricted in that case. If a contribution is made with a donor-imposed condition, it is not recorded until the condition has been met.

Amounts released from restriction totaled \$954,053 and \$644,811 for the years ended September 30, 2021 and 2020, respectively.

Unconditional promises to give are recognized as revenues or gains to the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Program Service Fees

The Organization accounts for its revenue from program service fees, as exchange transactions. Such revenues are 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.

Functional Allocation of Expenses

Salaries and benefits are allocated based on estimates of individual employee's time and effort. Certain overhead expenses, including equipment, insurance, postage, printing, and telephone, are allocated based on the percentages derived from the estimated allocation of salaries. Costs, including case management system, direct assistance, and in-kind legal and interpreter fees, are directly related to the Organization's programs and are thus reflected as program costs. Certain other costs, including conferences, dues and subscriptions, office supplies and expenses, professional fees, contracted services, rent, travel and depreciation, are allocated for specific items where applicable, based on the cost, usage, and related benefits of the specific goods and services provided with remaining items allocated based on the percentages derived from the estimated allocation of salaries.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Income Taxes

The Organization is a nonprofit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

NOTE 3 LIQUIDITY MANAGEMENT

HIAS Pennsylvania's financial assets available within one year of the balance sheet date for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
<i>Financial assets at year-end</i>		
Cash and cash equivalents	\$ 1,086,180	\$ 529,516
Investments	3,351,920	2,846,848
Accounts receivable	1,170,888	1,083,024
Grants and contributions receivable	702,685	868,121
Total financial assets	<u>6,311,673</u>	<u>5,327,509</u>
<i>Less: Amounts not available to be used within one year</i>		
<i>Net assets with purpose restrictions</i>		
Less: Donor Restricted Funds	(743,507)	(1,170,196)
<i>Deferred revenue</i>		
Cash	-	-
	<u>(743,507)</u>	<u>(1,170,196)</u>
<i>Financial assets available to meet general expenditures</i>		
Over the next year	<u>\$ 5,568,166</u>	<u>\$ 4,157,313</u>

Cash and cash equivalents of \$1,086,180 reflected on the consolidated statement of financial position includes \$174,320 of cash restricted by donors for certain purposes.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 3 LIQUIDITY MANAGEMENT *(continued)*

Investments of \$3,351,920 reflected on the consolidated statement of financial position can be liquidated with Board authorization and would be available if necessary.

Grants and contributions receivable of \$702,685 reflected on the consolidated statement of financial position includes \$603,198 restricted by donors for certain purposes.

HIAS Pennsylvania's goal is generally to maintain financial assets available to meet 90 days of operating expenses.

As part of its liquidity plan, the Finance Committee performs a monthly review of its financial statements and cash flows with management and accountant. Excess cash is invested in short-term investments, primarily money market accounts, where it is available to be drawn upon as needed.

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments represent the balance in the Organization's Board-designated endowment and consist of the following as of September 30:

	Fair Value Measurements Using			Quoted Prices In Active Markets for Identical Assets (Level 1)
	Cost	Unrealized Appreciation (Depreciation)	Fair Value	
2021				
Vanguard				
<i>Money Market</i>				
Balanced Index Fund	\$ 2,317,388	\$ 1,034,532	\$ 3,351,920	\$ 3,351,920
E-Trade				
Common stock	-	-	-	-
Total assets	\$ 2,317,388	\$ 1,034,532	\$ 3,351,920	\$ 3,351,920
	Fair Value Measurements Using			Quoted Prices In Active Markets for Identical Assets (Level 1)
	Cost	Unrealized Appreciation (Depreciation)	Fair Value	
2020				
Vanguard				
<i>Money Market</i>				
Balanced Index Fund	\$ 2,231,647	\$ 609,760	\$ 2,841,407	\$ 2,841,407
E-Trade				
Common stock	5,181	260	5,441	5,441
Total assets	\$ 2,236,828	\$ 610,020	\$ 2,846,848	\$ 2,846,848

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

Activity in the Board-designated endowment funds for the years ended September 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning	\$ 2,841,407	\$ 2,719,341
Contributions	-	-
<i>Investment return</i>		
Investment income	85,741	61,942
Gains on investments	424,772	260,124
Fees	-	-
Amounts appropriated for expenditure	-	(200,000)
Total	<u>\$ 3,351,920</u>	<u>\$ 2,841,407</u>

Gains and losses (realized and unrealized) included in changes in net assets for the years ended September 30, 2021 and 2020 are reported in investment revenue. All such gains and losses were a result of transactions where values have been measured using Level 1 inputs.

Total investment income is as follows for the years ended September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Investment income, interest and dividends	\$ 86,044	\$ 63,710
Gain on market value of securities	424,836	260,258
Total	<u>\$ 510,880</u>	<u>\$ 323,968</u>

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS *(continued)*

FASB ASC 820-10 (formerly SFAS No. 157, *Fair Value Measurements*) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are those other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3 inputs are those unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Organization, and Level 3 inputs are only used when Level 1 and Level 2 inputs are not available.

Level 1 Fair Value Measurements

The fair value of investments are based on quoted net asset values of the holdings held at year end.

NOTE 5 GRANTS RECEIVABLE

Grants receivable represent unconditional promises to give, as explained in Note 2, consisting of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Litigation	\$ 253,685	\$ 266,055
Path to Self Sufficiency	374,000	374,000
Immigrant Wellness	75,000	150,000
Time-restricted operating grants	-	78,066
	<u>\$ 702,685</u>	<u>\$ 868,121</u>
<i>Amount due in</i>		
Less than one year	\$ 444,685	\$ 484,121
One to five years	258,000	384,000
	<u>\$ 702,685</u>	<u>\$ 868,121</u>

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>Cost</u>	<u>Appreciation (Depreciation)</u>	<u>2021 Net Book Value</u>	<u>2020 Net Book Value</u>
Computer equipment	\$ 65,565	\$ (59,800)	\$ 5,765	\$ 17,295
Leasehold improvements	525,677	(43,806)	481,871	2,018
Furniture	-	-	-	-
Office equipment	<u>4,596</u>	<u>(2,159)</u>	<u>2,437</u>	<u>1,409</u>
	<u>\$ 595,838</u>	<u>\$ (105,765)</u>	<u>\$ 490,073</u>	<u>\$ 20,722</u>

NOTE 7 NOTE PAYABLEPayroll Protection Program Loan

On April 25, 2020, the Organization received a loan from Citizens Bank in the amount of \$591,700, pursuant to the Payroll Protection Program (PPP) under the CARES Act, which was enacted on March 27, 2020. The loan, which was in the form of a note dated April 25, 2020, matures April 25, 2022, and bears an interest rate of 1%, payable monthly commencing on November 25, 2020. The note may be prepaid at any time prior to maturity with no prepayment penalty. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, rent, and utilities. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

On August 24, 2021, the agency was granted forgiveness by the SBA in the amount of \$591,700 after incurring eligible expenditures, and was recorded on the consolidated statement of activities under other support and revenue.

NOTE 8 NET ASSETSNet Assets without Donor Restrictions

Net assets without donor restrictions represent funds retained by HIAS Pennsylvania that were received without any donor-imposed restrictions. In addition, donor-restricted contributions whose restrictions have been met in the same reporting period are reported as unrestricted support.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 8 NET ASSETS (continued)Net Assets without Donor Restrictions (continued)

The Board of Directors has elected to designate a portion of the Organization's net assets without donor restrictions to be used for certain purposes. These funds are placed in long-term investments, where pursuant to the investment policies, 5% can be utilized and expended each year. As there were no expenditures from the fund in recent years, the withdrawal of \$200,000 was approved by the Board to be used for expenditures related to the office move. The balance of these designated funds was \$3,351,920 and \$2,841,407 as of September 30, 2021 and 2020, respectively, as detailed in Note 4.

Net Assets with Donor Restrictions

Net assets with donor restrictions represent resources restricted by the donor as to time or use with the expectation that such restrictions will be satisfied in the future.

Net assets with donor restrictions are composed of the following as of September 30:

	<u>2021</u>	<u>2020</u>
Legal services	\$ 280,103	\$ 408,907
Path to Self Sufficiency	337,865	462,615
Immigrant Wellness	120,539	187,872
PA is Ready	-	34,523
Various other programs	-	3,093
Time restricted operating grants	5,000	128,470
	<u>\$ 743,507</u>	<u>\$ 1,225,480</u>

NOTE 9 CONCENTRATIONS

The Organization maintains its bank accounts in financial institutions with insurance provided by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances of cash as of September 30, 2021 were approximately \$546,021. Uninsured balances of cash as of September 30, 2020 were approximately \$119,000.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.

Notes to Consolidated Financial Statements

Years Ended September 30, 2021 and 2020

NOTE 10 RETIREMENT PLANS

Defined Benefit Plan

Eligible employees of the Organization participate in a defined benefit plan sponsored by the Jewish Federation of Greater of Philadelphia (the Jewish Federation). The Jewish Federation has frozen participation in the Plan; however, the respective share of any existing unfunded liabilities measured annually are required to be paid by the Jewish Federation and constituent agencies.

Contributions in the amount of \$17,720 and \$14,939 were made to the Plan by HIAS Pennsylvania for the years ended September 30, 2021 and 2020, respectively.

As part of the freeze, no new employees of HIAS Pennsylvania are entering the Plan and active participants in the Plan ceased accruing additional benefits, based on the effective freeze date of October 1, 2009 for HIAS Pennsylvania.

Participants should refer to Plan documents for specific details of the Plan.

403(b) Plan

The Organization sponsors the HIAS Pennsylvania 403(b) plan. Under the plan, qualified employees may elect to defer a portion of their compensation, up to Internal Revenue Service limits. The Organization can elect to match a certain portion of the employee contributions as described in plan documents.

For the years ended September 30, 2021 and 2020, the Organization elected to match employee contributions up to 5% of an employee's compensation, which resulted in contributions of approximately \$275,200 and \$248,500 for the years ended September 30, 2021 and 2020, respectively.

NOTE 11 RENT EXPENSE AND LEASE COMMITMENTS

During the fiscal year ended September 30, 2020, the Organization leased its primary office space on a short-term basis while preparing to relocate into new office space.

The Organization has subsequently entered into a lease for its primary office space, commencing in October 2020. Monthly payments begin at \$42,721 per month and increase at various times according to the lease to \$49,084 per month in the final year of the lease. The lease also provides for up to 14 months of rent abatement at specified times throughout the lease, provided conditions are met.

Total rent for the years ended September 30, 2021 and 2020 was approximately \$548,702 and \$272,600, respectively, which also includes other office space leased on a short-term basis, and temporary locations for certain programs and events.

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
Notes to Consolidated Financial Statements
Years Ended September 30, 2021 and 2020

NOTE 11 RENT EXPENSE AND LEASE COMMITMENTS *(continued)*

The Organization also leases office equipment under two leases, which expire at various times through December 2023. Minimum annual payments under the leases are as follows:

<u>Year Ending September 30,</u>	<u>Office Space</u>	<u>Equipment</u>
2022	\$ 479,331	\$ 4,536
2023	488,929	4,149
2024	498,727	747
2025	531,195	-
and thereafter	3,966,037	-

NOTE 12 DONATED SERVICES

The Organization has recognized \$1,361,446 and \$1,238,288 in donated services for the years ended September 30, 2021 and 2020, as required under FASB ASC 958 (formerly SFAS No.116) from legal professionals and other persons with specialized skills. The Organization has received significantly more donated services from legal professionals in recent years than in years past. In addition, the Organization receives donated services from other volunteers not meeting the criteria for recognition.

CONSOLIDATING SUPPLEMENTAL INFORMATION

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
Consolidating Schedule of Financial Position
September 30, 2021

	HIAS			
	Pennsylvania	PHIILS	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$ 1,046,023	\$ 40,158	\$ -	\$ 1,086,181
Investments	3,351,920	-	-	3,351,920
Accounts receivable	1,170,888	-	-	1,170,888
Grants receivable	603,198	99,487	-	702,685
Due from PHIILS	28,856	-	(28,856)	-
Prepaid expenses	45,606	-	-	45,606
Security deposits	5,400	-	-	5,400
Deposits on office equipment and improvements	-	-	-	-
Equipment and leasehold improvements, net	490,073	-	-	490,073
Total assets	\$ 6,741,964	\$ 139,645	\$ (28,856)	\$ 6,852,753
LIABILITIES AND NET ASSETS				
<i>Liabilities</i>				
Accounts payable and accrued expenses	\$ 227,393	\$ -	\$ -	\$ 227,393
Payroll withholding payable	(9,234)	-	-	(9,234)
Deferred revenue	266,213	-	-	266,213
Note payable	-	-	-	-
Due to HIAS Pennsylvania	-	28,856	(28,856)	-
Total liabilities	484,372	28,856	(28,856)	484,372
<i>Net assets</i>				
<i>Without Donor Restrictions</i>				
Other unrestricted	2,261,653	11,301	-	2,272,954
Designated by the Board	3,351,920	-	-	3,351,920
Total Without Donor Restrictions	5,613,573	11,301	-	5,624,874
With Donor Restrictions	644,019	99,488	-	743,507
Total net assets	6,257,592	110,789	-	6,368,381
Total liabilities and net assets	\$ 6,741,964	\$ 139,645	\$ (28,856)	\$ 6,852,753

HIAS AND COUNCIL MIGRATION SERVICE OF PHILADELPHIA, INC.
Consolidating Schedule of Revenue and Expenses
and Changes in Net Assets
Year Ended September 30, 2021

	HIAS Pennsylvania	PHILS	Eliminations	Total
SUPPORT AND REVENUE				
Government grants and contracts	\$ 3,596,021	\$ -	\$ -	\$ 3,596,021
Grants - other	1,068,274	132,650	(169,904)	1,031,020
Contributions and fundraising	2,073,805	393	-	2,074,198
In-kind contributions	1,361,446	-	-	1,361,446
Service fees	6,171	-	-	6,171
Investment income	510,879	-	-	510,879
Other PPP Forgiven	591,700	-	-	591,700
Total support and revenue	<u>\$ 9,208,296</u>	<u>\$ 133,043</u>	<u>\$ (169,904)</u>	<u>\$ 9,171,435</u>
EXPENSES AND LOSSES				
<i>Programs</i>				
Resettlement program	\$ 1,815,474	\$ -	\$ -	\$ 1,815,474
Legal services	3,947,520	169,904	(169,904)	3,947,520
Citizenship program	554,087	-	-	554,087
Asylee program	253,164	-	-	253,164
PHILS	169,904	-	-	169,904
Total programs	<u>6,740,149</u>	<u>169,904</u>	<u>(169,904)</u>	<u>6,740,149</u>
<i>Support services</i>				
General and administrative	726,285	-	-	726,285
Fundraising	361,718	-	-	361,718
Total support services	<u>1,088,003</u>	<u>-</u>	<u>-</u>	<u>1,088,003</u>
Total expenses	<u>7,828,152</u>	<u>169,904</u>	<u>(169,904)</u>	<u>7,828,152</u>
Change in net assets	1,380,144	(36,861)	-	1,343,283
Net assets, beginning of year	4,877,447	147,650	-	5,025,097
Net assets, end of year	<u>\$ 6,257,591</u>	<u>\$ 110,789</u>	<u>\$ -</u>	<u>\$ 6,368,380</u>

