



KellyVitaleRaffol LLC
CERTIFIED PUBLIC ACCOUNTANTS



Financial Statements

For the Year Ended June 30, 2023

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Independent Auditors' Report

To the Board of Directors
Massachusetts Immigrant and Refugee Advocacy Coalition, Inc.
Boston, Massachusetts

Opinion

We have audited the accompanying financial statements of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, the related statement of activities, cash flows, and functional expenses for the year 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 Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. as of June 30, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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. 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 Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which raise substantial doubt about Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. 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.

Report on the Financial Statements

We have audited the accompanying financial statements of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2024, on our consideration of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. 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 *Government Auditing Standards* in considering Massachusetts Immigrant and Refugee Advocacy Coalition, Inc.'s internal control over financial reporting and compliance.

KellyVitaleRaffol LLC

Boston, Massachusetts
May 5, 2024

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statements of Financial Position

As of June 30, 2023

Assets

| | |
|--|---------------|
| Cash and cash equivalents | \$ 3,939,809 |
| Investments | 206,712 |
| Pledges, contracts and grants receivable | 361,312 |
| Prepaid expenses | 13,731 |
| Fixed assets, net | <u>22,635</u> |

Total assets \$ 4,544,199

Liabilities and Net Assets

Liabilities:

| | |
|---------------------------------------|-------------------|
| Accounts payable and accrued expenses | <u>\$ 232,887</u> |
|---------------------------------------|-------------------|

Total liabilities 232,887

Net Assets:

| | |
|----------------------------|------------------|
| Without donor restrictions | 2,979,395 |
| With donor restrictions | <u>1,331,917</u> |

Total net assets 4,311,312

Total liabilities and net assets \$ 4,544,199

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statement of Activities

For the Year Ended June 30, 2023

| | <i>Without Donor Restrictions</i> | <i>With Donor Restrictions</i> | <i>Total</i> |
|---|--|------------------------------------|----------------------------|
| <i>Revenues and Other Support:</i> | | | |
| Grants and contributions | \$ 1,297,348 | \$ 1,325,000 | \$ 2,622,348 |
| Public contracts | 613,546 | - | 613,546 |
| Federated fundraising | 20,964 | - | 20,964 |
| Fiscal sponsor revenue | 16,372 | - | 16,372 |
| Special project revenue | 180,415 | - | 180,415 |
| Unrealized loss on investment | 1,660 | - | 1,660 |
| Interest income | 31,843 | - | 31,843 |
| Other income | 4,263 | - | 4,263 |
| Net assets released from restrictions | 366,633 | (366,633) | - |
| | <i>Total revenues</i> | <i>958,367</i> | <i>3,491,411</i> |
| Special events: | | | |
| Special events | 334,550 | - | 334,550 |
| Special events expense | (80,315) | - | (80,315) |
| | <i>Special events, net</i> | <i>-</i> | <i>254,235</i> |
| | <i>Total revenues and other support</i> | <i>958,367</i> | <i>3,745,646</i> |
| <i>Expenses:</i> | | | |
| Program services | 1,629,997 | - | 1,629,997 |
| Management and general | 1,278,672 | - | 1,278,672 |
| Fundraising | 196,291 | - | 196,291 |
| | <i>Total expenses</i> | <i>-</i> | <i>3,104,960</i> |
| | <i>Change in net assets</i> | <i>958,367</i> | <i>640,686</i> |
| <i>Net Assets, beginning</i> | <i>3,297,076</i> | <i>373,550</i> | <i>3,670,626</i> |
| <i>Net Assets, ending</i> | <i>\$ 2,979,395</i> | <i>\$ 1,331,917</i> | <i>\$ 4,311,312</i> |

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statements of Cash Flows

For the Year Ended June 30, 2023

Cash Flows from Operating Activities:

| | |
|---|----------------|
| Change in net assets | \$ 640,686 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 6,686 |
| Unrealized gains (loss) on investments | (1,660) |
| Changes in: | |
| Pledges and grants receivable | 189,946 |
| Prepaid expenses | (152) |
| Accounts payable and accrued expenses | (107,913) |
| Refundable advance | - |
| | <hr/> |
| <i>Net cash provided by operating activities</i> | <i>727,593</i> |

Cash Flows from Investing Activities:

| | |
|--|-----------------|
| Purchase of equipment | (19,513) |
| Change in investment, net | (7,041) |
| | <hr/> |
| <i>Net cash used in investing activities</i> | <i>(26,554)</i> |

Net change in cash and cash equivalents 701,039

Cash and cash equivalents, beginning 3,238,770

Cash and cash equivalents, ending \$ 3,939,809

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2023

| | <i>Program Services</i> | <i>Management and General</i> | <i>Fundraising</i> | <i>Total</i> |
|---|------------------------------------|--|---------------------------|---------------------|
| Salaries and related expenses: | | | | |
| Salaries | \$ 957,135 | \$ 670,689 | \$ 139,248 | \$1,767,072 |
| Payroll taxes | 18,079 | 131,985 | 11,150 | 161,213 |
| Fringe benefits | 89,551 | 91,335 | 15,317 | 196,203 |
| | <u>1,064,765</u> | <u>894,009</u> | <u>165,715</u> | <u>2,124,489</u> |
| Training, meetings and conferences: | | | | |
| Training | 4,213 | 10,633 | - | 14,846 |
| Conferences and meetings | 21,514 | 11,795 | 44 | 33,353 |
| | <u>25,727</u> | <u>22,428</u> | <u>44</u> | <u>48,199</u> |
| Occupancy: | | | | |
| Rent expenses | 59,264 | 10,164 | 4,880 | 74,308 |
| Repairs and maintenance | 13,487 | 5,209 | 284 | 18,980 |
| | <u>72,750</u> | <u>15,373</u> | <u>5,164</u> | <u>93,288</u> |
| Information technology | - | 1,866 | 14,212 | 16,078 |
| Staff mileage and travel | 16,717 | 2,150 | 892 | 19,759 |
| Office supplies | 21,203 | 26,254 | 1,218 | 48,674 |
| Program supplies | 96,498 | 20,449 | 110 | 117,057 |
| Telephone | 18,638 | 13,880 | 1,322 | 33,839 |
| Insurance expenses | - | 16,297 | - | 16,297 |
| Special event expenses | - | - | 80,315 | 80,315 |
| Professional fees | 307,323 | 242,620 | 7,347 | 557,290 |
| Dues and subscriptions | 5,438 | 9,704 | 266 | 15,408 |
| Advertising | - | 6,907 | - | 6,907 |
| Depreciation | - | 6,686 | - | 6,686 |
| Bad debt expenses | - | 50 | - | 50 |
| Miscellaneous | 939 | - | - | 939 |
| | <u>1,629,997</u> | <u>1,278,672</u> | <u>276,606</u> | <u>3,185,275</u> |
| <i>Total expenses by function of revenues on the statement of activities</i> | | | | |
| Direct costs | - | - | (80,315) | (80,315) |
| <i>Total expenses included in expenses on the statement of activities</i> | <u>\$ 1,629,997</u> | <u>\$ 1,278,672</u> | <u>\$ 196,291</u> | <u>\$3,104,960</u> |

See accompanying notes to financial statements.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 1. Organization

Massachusetts Immigrant and Refugee Advocacy Coalition, Inc. (MIRA or the Organization) is a nonprofit organization incorporated under the laws of the Commonwealth of Massachusetts on December 14, 1987. The Organization is dedicated to advocacy and promotion of the rights, privileges, and opportunities of immigrants and refugees. To this end, MIRA seeks to bring together individuals and organizations to help in shaping and evolving just, equitable and non-discriminatory policies as they relate to refugees, immigration and citizenship.

MIRA is a dynamic and multi-ethnic coalition with more than 130 organizational members, including grassroots community organizations; refugee resettlement agencies; providers of social, legal and health services; faith-based organizations; and civil and human rights advocates. MIRA organizes and empowers its members and allies, and they collectively mobilize immigrant communities to advocate for themselves, and amplify and support their voices. MIRA is a respected leader on immigrant issues at the state and national levels, and an authoritative source of information and policy analysis for policymakers, advocates, immigrant communities and the media.

Activities organized by MIRA include the dissemination of information relating to United States immigration, refugee and citizenship policies; the facilitation of co-operative educational and other related activities between members and all interested groups; the education and empowerment of immigrants and refugees; and participation in national and state conferences.

Note 2. Program Services

Program services consist of the following:

Training and education: This is designed to prepare members for service to their constituencies through training in various skills.

Policy and analysis: Dissemination of such analysis equips stakeholders with the understanding of the impact of policies of federal, state and local authorities on the immigrant and refugee communities.

Organization and leadership: This program focuses on organizing, equipping and empowering identified local immigrant leaders for advocacy and leadership roles.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). These standards require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets available that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions

Contributions: The Organization recognizes contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest are received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

Exchange transactions: Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("Topic 606"). The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Summary of Significant Accounting Policies (Continued)

Adopted Accounting Pronouncements

The Organization has reviewed the implementation of ASU No. 2016-02 *Leases* (Topic 842) for the year ended June 30, 2023, which required the Organization to capitalize on any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to not account for non-lease components separately. It was determined that ASU No. 2016-02 does not apply for the year ended June 30, 2023. The Organization will continue to review on an annual basis to determine if any changes occur.

Cash and Cash Equivalents

The Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

Revenue Recognition

The Organization reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their value in the statements of financial position. Unrealized gains and losses are included in change in net assets. Investment income and gains restricted by a donor are reported as an increase in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Contract and Grant Revenue

The Organization derives revenues through contracts and grants received through the Commonwealth of Massachusetts Department of Refugee Assistance, and from various donors. Accordingly, the Organization is subject to the regulations and reporting requirements of the applicable governmental and grantor agencies. Contract and grant revenue is recorded in accordance with the provisions of the applicable award amounts, including the recognition of any purpose or time restriction on the use of the proceeds.

Financial awards from federal, state and local governmental entities in the form of grants are subject to special audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the statement of activities. Expenses that can be identified with a specific program or support service are charged directly to that program or support services. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Occupancy, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.
- Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity. Every few years or more often when new space or programs are added, the bases on which costs are allocated are evaluated. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expenses as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases where this might occur, joint costs have been allocated between fundraising and general and administrative expenses in accordance with the standards for accounting for costs of activities that include fundraising.

Property and Equipment

Property, equipment, furnishing, and improvement purchases in excess of \$1,500 are capitalized at cost if purchased or at fair market value at the date of receipt if donated. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to fixed assets. Depreciation of fixed assets is computed using the straight-line method over the estimated useful lives of the assets as follows:

| | |
|------------------------|-----------|
| Office equipment | 3-5 years |
| Furniture and fixtures | 7 years |
| Software | 3 years |
| Leasehold improvement | 4 years |

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 3. Summary of Significant Accounting Policies (Continued)

Pledges, Grants and Contracts Receivable

Pledges consist of unconditional promises to give that are expected to be collected in future years and classified as conditional promises to the extent that conditions have been met but reimbursement from the grantor has not yet been received. Pledges receivables represent amounts that are due from individual donors, which are classified as current if they are scheduled for payment within one year and noncurrent when the expected payment date exceeds one year.

Management believes that all pledges receivables are collectible; therefore, no allowance for doubtful pledges has been established. If pledges are determined to be uncollectible in subsequent periods, they will be charged to activities at that time.

Income Tax Status

The Organization is exempt from federal income tax under the provision of Internal Revenue Code (IRC) Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under IRC Section 509(a)(1). The Organization is also exempt from Massachusetts state taxes.

Note 4. Cash and Cash Equivalents

The Organization maintains its cash balance in bank deposit accounts. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash and cash equivalents. As of June 30, 2023, the uninsured portion and uncollateralized portion of this balance was \$3,178,769.

Note 5. Pension Plan

The Organization maintains a noncontributory simple employee pension plan. An annual contribution to the plan is 5% of employees' annual compensation. To qualify for the plan, employees must have two years of continuous employment. Additionally, the Organization offers a tax-deferred annuity plan for participating employees to make contributions, whereby there is no required match, and contributions are directed by the participants. Pension expenses for the year ended June 30, 2023 was \$23,209 and is included under fringe benefits.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 6. Fixed Assets

Fixed assets consist of the following as of June 30:

| | |
|---------------------------------|--------------------------------|
| Equipment and furniture | \$ 74,472 |
| Leasehold improvement | 13,293 |
| Website | 14,500 |
| Database | <u>4,850</u> |
| | 107,115 |
| Less: accumulated depreciation | <u>(84,480)</u> |
| <i>Fixed assets, net</i> | <u><u>\$ 22,635</u></u> |

Depreciation expenses for the year ended June 30, 2023 was \$6,686. During 2023, the Organization also disposed of approximately \$69,000 of antiquated equipment and furniture.

Note 7. Fair Value Measurements

The Organization has adopted the provision of FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

FASB ASC 820 also establishes a fair value hierarchy that requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The categorization of each investment type within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. FASB ASC 820 establishes three levels of inputs that may be used to measure fair value:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities at the measurement date;
- **Level 2:** Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities 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

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 7. Fair Value Measurements (Continued)

- **Level 3:** Unobservable inputs that are supported by little or no market activity and that reflect the Organization's own assumptions about market participants and investment prices. The following is a description of the valuation methodology used for assets measured at fair value:
- **Fixed-income financial instruments:** Valued at cost plus accrued interest at year-end or valued at the closing price reported on the active market on which the individual instrument is traded, as applicable.

Investments are reported at their fair values as of June 30, 2023. The fair values of financial instruments appearing on the accompanying statements of financial position have the following valuation approaches as defined by the FASB ASC 820 hierarchy:

- Assets utilizing Level 1 inputs include mutual funds, which amounted to \$206,712 as of June 30, 2023. Investments are valued at cost plus accrued interest, which approximates fair value. There are no liabilities utilizing Level 1 inputs.
- There are no assets and liabilities utilizing Level 2 inputs.
- There are no assets and liabilities utilizing Level 3 inputs.

Note 8. Liquidity and Availability

The following represents the Organization's financial assets that are available to meet general expenses over the next 12 months:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 3,939,809 |
| Investments | 206,712 |
| Pledges, contracts and grants receivable | <u>361,312</u> |
| Total financial assets | <u>4,507,833</u> |
| Less amounts not available for use within one year: | |
| Total net assets with donor restrictions | <u>(1,331,917)</u> |
| Financial assets available to meet general expenditures over the next 12 months | <u>\$ 3,175,916</u> |

The Organization's goal is to maintain financial assets to meet 180 days of operating expenses. As part of its liquidity plan, only one to two months' worth of operating cash is kept in business checking and the rest is kept in a money market account.

**MASSACHUSETTS IMMIGRANT AND
REFUGEE ADVOCACY COALITION, INC.**

Notes to Financial Statements

For the Year Ended June 30, 2023

Note 9. Leases

The Organization leases operating space until December 2023. The future minimum payment on the lease is \$17,862 until December 31, 2023. Total rent expense for the year ended June 30, 2023 amounted to \$74,308.

Note 10. Conditional Grant

The Organization received a conditional grant from the Department of Refugees and Immigrants that has not been recognized at June 30, 2023 because the qualifying conditions on which it depends has not been met. The conditional grant is \$700,000.

Note 11. Subsequent Events

The Organization has evaluated events subsequent to June 30, 2023 to May 5, 2024 which is the date the financial statements were available to be issued. During this period, the Organization entered into a new 6-year lease agreement commencing in October 2023. The Organization also satisfied the conditional grant requirement and received the complete amount in December 2023.



Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Massachusetts Immigrant and Refugee Advocacy Coalition, Inc.
Boston, Massachusetts

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 Massachusetts Immigrant and Refugee Advocacy Coalition, Inc, which comprise the statement of financial position as of June 31, 2023, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 5, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Massachusetts Immigrant and Refugee Advocacy Coalition, Inc'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 Massachusetts Immigrant and Refugee Advocacy Coalition, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Massachusetts Immigrant and Refugee Advocacy Coalition, Inc's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Massachusetts Immigrant and Refugee Advocacy Coalition, Inc's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Massachusetts Immigrant and Refugee Advocacy Coalition, Inc's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KellyVitaleRaffol, LLC

Boston, Massachusetts

May 5, 2024