EPISCOPAL SOCIAL SERVICE OF THE
DIOCESE OF CONNECTICUT, INC.

Report on Examination of Financial
Statements and Supplemental Data

For the Years Ended December 31, 2008 and 2007

In charge accountant:
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North Haven, Connecticut 06473
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Firm ID No. 06-0415530
## EPISCOPAL SOCIAL SERVICE OF THE DIOCESE OF CONNECTICUT, INC. 

### TABLE OF CONTENTS

**Auditor's Reports:**

- Independent Auditor's Report 1
- Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 3
- Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the State Single Audit Act 5

**Financial Statements:**

- Statement of Financial Position ................................................................. 7
- Statement of Activity ....................................................................................... 8
- Statement of Functional Expenses ................................................................. 9
- Statement of Cash Flows .................................................................................. 10

**Notes to Financial Statements and Supplemental Data:**

- Notes to Financial Statements ......................................................................... 11
- Schedule of Federal Awards ............................................................................ 14
- Notes to the Schedule of Federal Awards ....................................................... 15
- Schedule of Findings and Questioned Costs–Federal Awards ......................... 16
- Schedule of State Awards ................................................................................ 17
- Notes to the Schedule of State Awards ............................................................ 18
- Schedule of Findings and Questioned Costs–State Awards ............................ 19
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Episcopal Social Service of the Diocese of Connecticut, Inc.
New Haven, Connecticut

We have audited the accompanying statement of financial position of

EPISCOPAL SOCIAL SERVICE OF THE DIOCESE OF CONNECTICUT, INC.
(a non-profit corporation)

as of December 31, 2008, and the related statements of activity, statement of functional expenses and cash flows for the year then ended. These financial statements are the responsibility of management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Episcopal Social Service of the Diocese of Connecticut, Inc., as of December 31, 2008, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated May 20, 2009, on our consideration of the Company's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 and should be read in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Episcopal Social Service of the Diocese of Connecticut, Inc., taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, not a part of the basic financial statements. Such information has been...
subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KIRCALDIE, RANDALL & McNAB LLC

North Haven, Connecticut
May 20, 2009
REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH Government Auditing Standards

To the Board of Directors
Episcopal Social Service of the Diocese of Connecticut, Inc.
New Haven, Connecticut

We have audited the financial statements of Episcopal Social Service of the Diocese of Connecticut, Inc., (a nonprofit corporation) as of and for the year ended December 31, 2008, and have issued our report thereon dated May 20, 2009. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

In planning and performing our audit, we considered Episcopal Social Service of the Diocese of Connecticut, Inc.’s, internal control over financial reporting in order to determine our auditing procedures 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 Episcopal Social Service of the Diocese of Connecticut, Inc.’s, internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Episcopal Social Service of the Diocese of Connecticut, Inc.’s, internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Episcopal Social Service of the Diocese of Connecticut, Inc.’s, ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Episcopal Social Service of the Diocese of Connecticut, Inc.’s, financial statements that is more than inconsequential will not be prevented or detected by Episcopal Social Service of the Diocese of Connecticut, Inc.’s, internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Episcopal Social Service of the Diocese of Connecticut, Inc.’s, internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.
COMPLIANCE:

As part of obtaining reasonable assurance about whether Episcopal Social Service of the Diocese of Connecticut, Inc.’s, financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

This report is intended solely for the information of the board of directors, management, others within the organization, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kirkaldie Randall McNab LLC

North Haven, Connecticut
May 20, 2009
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT

To the Board of Directors
Episcopal Social Service of the Diocese of Connecticut, Inc.
New Haven, Connecticut

COMPLIANCE

We have audited the compliance of Episcopal Social Service of the Diocese of Connecticut, Inc., with the types of compliance requirements described in the Office of Policy and Management Compliance Supplement that are applicable to each of its major state programs for the year ended December 31, 2008. The major state programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Episcopal Social Service of the Diocese of Connecticut, Inc.’s management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about the Episcopal Social Service of the Diocese of Connecticut, Inc.’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. Our audit does not provide a legal determination on the Episcopal Social Service of the Diocese of Connecticut, Inc.’s compliance with those requirements.

In our opinion Episcopal Social Service of the Diocese of Connecticut, Inc., complied in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2008.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Episcopal Social Service of the Diocese of Connecticut, Inc., is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our
auditing procedures for the purpose of expressing our opinion on compliance, 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 Episcopal Social Service of the Diocese of Connecticut, Inc.’s internal control over compliance.

A control deficiency in an entity’s internal control over compliance 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity’s ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity’s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the Episcopal Social Service of the Diocese of Connecticut, Inc.’s internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

**Schedule of Expenditures of State Financial Assistance**

We have audited the financial statements of Episcopal Social Service of the Diocese of Connecticut, Inc., as of and for the year ended December 31, 2008, and have issued our report thereon dated May 20, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of management and the State of Connecticut Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Kirkland, Elder & McCall LLC
North Haven, Connecticut
May 20, 2009
ASSETS

<table>
<thead>
<tr>
<th>Current assets:</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 64,989</td>
<td>$ 52,350</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>66,514</td>
<td>80,824</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$ 131,503</strong></td>
<td><strong>$ 133,174</strong></td>
</tr>
<tr>
<td>Equipment and fixtures, net of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>accumulated depreciation of $77,521</td>
<td>$ 4,201</td>
<td>$ 5,601</td>
</tr>
<tr>
<td>and $76,121 in 2008 and 2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security deposit</td>
<td>$ 2,000</td>
<td>$ 2,000</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 137,704</strong></td>
<td><strong>$ 140,775</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Current Liabilities:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued</td>
<td>$ 4,425</td>
<td>$ 13,538</td>
</tr>
<tr>
<td>expenses</td>
<td>8,568</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>32,530</td>
<td>23,604</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$ 45,523</strong></td>
<td><strong>$ 37,142</strong></td>
</tr>
</tbody>
</table>

Net assets:

| Unrestricted net assets             | $ 92,181 | $ 103,633 |
| Total net assets                    | $ 92,181 | $ 103,633 |
| **Total liabilities and net assets**| **$ 137,704** | **$ 140,775** |

The accompanying notes are an integral part of the financial statements.
## Statement of Activities
For the Years ended December 31, 2008 and 2007

### Revenue and Support:

<table>
<thead>
<tr>
<th>Source</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal pass-through grants:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Dept of Social Services</td>
<td>$101,951</td>
<td>$96,282</td>
</tr>
<tr>
<td>Episcopal Migration Ministries</td>
<td>104,202</td>
<td>114,562</td>
</tr>
<tr>
<td>Church World Service</td>
<td>107,682</td>
<td>72,063</td>
</tr>
<tr>
<td>City of New Haven</td>
<td>5,060</td>
<td>11,840</td>
</tr>
<tr>
<td>State of Connecticut Dept of Education</td>
<td>151,096</td>
<td></td>
</tr>
<tr>
<td>Contributions-Diocese of Connecticut</td>
<td>55,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Other contributions and grants</td>
<td>247,287</td>
<td>243,103</td>
</tr>
<tr>
<td>Special events income</td>
<td>58,385</td>
<td></td>
</tr>
<tr>
<td>Less: Cost of direct benefits to donors</td>
<td>(25,284)</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>478</td>
<td>2,028</td>
</tr>
<tr>
<td><strong>Total revenue and support</strong></td>
<td><strong>$805,857</strong></td>
<td><strong>$589,878</strong></td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Category</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td>$656,035</td>
<td>$558,407</td>
</tr>
<tr>
<td>Management and general</td>
<td>140,677</td>
<td>104,397</td>
</tr>
<tr>
<td>Fundraising</td>
<td>20,597</td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$817,309</strong></td>
<td><strong>$662,804</strong></td>
</tr>
</tbody>
</table>

### Increase (decrease) in net assets

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase (decrease)</strong></td>
<td><strong>$(11,452)</strong></td>
<td><strong>$(72,926)</strong></td>
</tr>
<tr>
<td>Net assets - beginning of year</td>
<td>103,633</td>
<td>176,559</td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td><strong>$92,181</strong></td>
<td><strong>$103,633</strong></td>
</tr>
</tbody>
</table>
EPISCOPAL SOCIAL SERVICE OF THE DIOCESE OF CONNECTICUT, INC.
Statement of Functional Expenses
For the Years ended December 31, 2008 and 2007

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program</td>
<td>Management &amp; general</td>
<td>Fundraising</td>
<td>Total</td>
</tr>
<tr>
<td>Salaries</td>
<td>$324,266</td>
<td>$84,506</td>
<td>$13,759</td>
<td>$422,531</td>
</tr>
<tr>
<td>Program consultants</td>
<td>48,520</td>
<td>24,895</td>
<td>73,415</td>
<td></td>
</tr>
<tr>
<td>Client aid</td>
<td>140,293</td>
<td></td>
<td>140,293</td>
<td></td>
</tr>
<tr>
<td>Employee benefit and payroll taxes</td>
<td>70,570</td>
<td>18,371</td>
<td>2,912</td>
<td>91,853</td>
</tr>
<tr>
<td>Office expenses</td>
<td>24,292</td>
<td>3,135</td>
<td>3,926</td>
<td>31,353</td>
</tr>
<tr>
<td>Rent</td>
<td>24,840</td>
<td>2,760</td>
<td></td>
<td>27,600</td>
</tr>
<tr>
<td>Travel</td>
<td>6,159</td>
<td>684</td>
<td></td>
<td>6,843</td>
</tr>
<tr>
<td>Equipment rental and maintenance</td>
<td>12,259</td>
<td>1,362</td>
<td>13,621</td>
<td></td>
</tr>
<tr>
<td>Auditing fees</td>
<td>150</td>
<td>4,100</td>
<td></td>
<td>4,250</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,098</td>
<td>366</td>
<td></td>
<td>1,464</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,965</td>
<td>218</td>
<td></td>
<td>2,183</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,120</td>
<td>280</td>
<td></td>
<td>1,400</td>
</tr>
<tr>
<td>Professional development</td>
<td>503</td>
<td>503</td>
<td></td>
<td>108</td>
</tr>
<tr>
<td></td>
<td><strong>$656,035</strong></td>
<td><strong>$140,677</strong></td>
<td><strong>$20,597</strong></td>
<td><strong>$817,309</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements
## Statement of Cash Flows

**EPISCOPAL SOCIAL SERVICE OF THE DIOCESE OF CONNECTICUT, INC.**

**December 31, 2008 and 2007**

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase (decrease) in net assets</td>
<td>$(11,452)</td>
<td>$(72,926)</td>
</tr>
<tr>
<td>Depreciation charges not requiring cash outlay</td>
<td>1,400</td>
<td>1,400</td>
</tr>
<tr>
<td>Cash used by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in grants receivable</td>
<td>14,310</td>
<td>(2,523)</td>
</tr>
<tr>
<td>Change in accounts payable and accrued expenses</td>
<td>(545)</td>
<td>(10,120)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>8,926</td>
<td>2,238</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$ 12,639</td>
<td>$(81,931)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of fixed assets</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net cash provided (used) by investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in cash and cash equivalents</td>
<td>$ 12,639</td>
<td>$ (81,931)</td>
</tr>
<tr>
<td>Cash - Beginning</td>
<td>52,350</td>
<td>134,281</td>
</tr>
<tr>
<td>Cash - Ending</td>
<td>$ 64,989</td>
<td>$ 52,350</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements
NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Episcopal Social Service of the Diocese of Connecticut, Inc., (the Organization) is a non-profit voluntary health and welfare organization and an official human service agency of the Episcopal Church in Connecticut. The Agency operates as IRIS, Integrated Refugee and Immigrant Services, with its primary purpose being to aid in the resettlement of refugees, primarily from Africa and the Middle East. The Agency is supported primarily through grants and individual and church donations. Approximately 58% and 50% of all revenue and support was from federal pass-through grants or state grant for the years ended December 31, 2008 and 2007, respectively.

Basis of Presentation: The financial statements are prepared in accordance with applicable provisions of Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations." In accordance with SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent available resources other than donor restricted contributions. Included in unrestricted net assets are grants and contracts, which may be earmarked for special purposes. Temporarily restricted net assets represent contributions that are restricted by the donor as to purposes or as to time of expenditure. Permanently restricted net assets represent contributions that are received with the donor restriction that the principal be invested in perpetuity and only the income thereon be available for operations.

Revenue Recognition: Grants and contracts are generally considered to be exchange transactions in which the grantor or contractor requires the performance of specified activities. Entitlement to cost reimbursement grants and contracts is conditioned on the expenditure of funds in accordance with grant restrictions and, therefore, revenue is recognized to the extent of grant expenditures. Entitlement to performance-based grants and contracts is conditioned on the attainment of specific performance goals and, therefore, is recognized to the extent of the performance achieved.

Grant and contract awards in excess of revenues recognized are presented as deferred revenue and support. Grants and contracts with various public agencies require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill such conditions, which include expending funds in accordance with the approved budget, could result in the return of funds to the grantor.

Fixed Assets: Fixed assets are stated at cost or fair value if donated and depreciated using the straight-line method over the estimated useful lives of the assets. The Organization’s policy is to capitalize any acquisitions in excess of $500.

Income Taxes: Episcopal Social Service of the Diocese of Connecticut, Inc. is exempt from federal income tax under the Internal Revenue Code §501(c)(3). There has, therefore, been no income tax provided for in the financial statements.
Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Functional Expense Allocation: The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Prior Year Amounts: Certain 2007 amounts may have been reclassified to conform to the 2008 presentation in the financial statements.

NOTE 2 — DONATED SERVICES:

Many individuals have contributed significant amounts of time to activities of the Organization without compensation. The financial statements do not reflect the value of those contributed services because they do not meet the recognition criteria of SFAS Statement No. 116.

NOTE 3 — OPERATING LEASE:

The Organization leases its headquarters under an operating lease which runs from July 1, 2006 through June 30, 2011. The future minimum lease payments are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$30,000</td>
</tr>
<tr>
<td>2010</td>
<td>32,400</td>
</tr>
<tr>
<td>2011</td>
<td>16,800</td>
</tr>
</tbody>
</table>

NOTE 4 — EMPLOYEE BENEFIT PLAN:

The Organization participates in the pension plan of the Episcopal Diocese of Connecticut which is a defined contribution plan covering employees who: 1) are over 21, 2) have worked for the Organization for 12 months, and 3) work over 1,000 hours per year. Pension costs are determined as five (5%) percent of eligible employee compensation and a match of employee contributions up to four (4%) percent and amounted to approximately $19,545 and $8,145 for the years ended December 31, 2008 and 2007, respectively. All employer contributions are immediately vested to the employees.

NOTE 5 — CONCENTRATION OF CREDIT RISK:

The Organization maintains cash deposits with various banks and financial institutions that at various times may exceed federally insured limits As of December 31, 2008, there were no uninsured amounts in financial institutions.
NOTE 6 — ECONOMIC DEPENDENCY:

The Organization derives substantial portions of its revenue from federal grants passed through various state agencies and church related entities. Should the relationship with any of these organizations be jeopardized or these organizations lose their own funding sources it is possible the Organization would be unable to continue in its current form and function.
# Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2008

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program</th>
<th>CFDA Number</th>
<th>Agreement/Project Number</th>
<th>Federal Expenditures</th>
</tr>
</thead>
</table>

## U.S. Department of Health and Human Services:

Pass-Through Programs From State of Connecticut Department of Social Services:

- Refugee and Entrant Assistance 93.566 093-ESS-RAP-12/13 $ 77,081
- Refugee and Entrant Assistance 93.566 093-ESS-RAP-14/15 24,870

\[ \begin{align*}
\text{Total U.S. Department of Health and Human Services} & \quad \text{\$ 101,951}
\end{align*} \]

Pass-Through Programs from Church World Service:

- Refugee Assistance - Voluntary Agency Programs Match Grant 93.567 \text{\$ 47,632}

Pass-Through Programs from Episcopal Migration Ministry:

- Refugee Assistance - Voluntary Agency Programs Match Grant 93.567 37,745
- Refugee Assistance - Liberians at Risk 93.576 24,856

\[ \begin{align*}
\text{Total U.S. Department of Health and Human Services} & \quad \text{\$ 212,184}
\end{align*} \]

## U.S. Department of State, Bureau of Population, Refugees and Migration:

Pass-Through Programs from Church World Service:

- Project Grant - Reception and Placement 19.510 \text{\$ 60,050}

Pass-Through Programs from Episcopal Migration Ministry:

- Project Grant - Reception and Placement 19.510 \text{\$ 45,300}

\[ \begin{align*}
\text{Total U.S. Department of State} & \quad \text{\$ 105,350}
\end{align*} \]

\[ \begin{align*}
\text{Total Expenditures of Federal Awards} & \quad \text{\$ 317,534}
\end{align*} \]

The accompanying notes are an integral part of the financial statements.
NOTE 1 — BASIS OF PRESENTATION:

The accompanying schedule expenditure of federal awards includes the federal grant activity of Episcopal Social Service of the Diocese of Connecticut, Inc., and is presented on the cash 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
SECTION I — SUMMARY OF AUDITOR’S RESULTS:

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:
- Significant deficiencies identified? Yes
- Deficiencies identified that are not considered to be material weaknesses? Yes
- Noncompliance material to financial statements noted? Yes

Federal Awards:

Internal control over major programs:
- Significant deficiencies identified? Yes
- Deficiencies identified that are not considered to be material weaknesses? Yes

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A–133? Yes

Major Programs:
93.566 Refugee and Entrant Assistance
93.567 Refugee Assistance

Dollar threshold used to distinguish between type A and B programs: $300,000

Auditee qualified as low risk? Yes

SECTION II — FINANCIAL STATEMENT FINDINGS

No findings or questioned costs are reported relating to Federal financial assistance programs

SECTION III — FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported relating to Federal financial assistance programs.
<table>
<thead>
<tr>
<th>Grantor/Program</th>
<th>State Grant Program Core-CT Number</th>
<th>State Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>After School Program</td>
<td>11000-17084-2008-82079-170003</td>
<td>$ 151,096</td>
</tr>
<tr>
<td>State Department of Education</td>
<td></td>
<td>$ 151,096</td>
</tr>
</tbody>
</table>

Total Expenditures of State Awards $ 151,096

The accompanying notes are an integral part of the financial statements
The Department of Economic and Community Development and Connecticut Housing Finance Authority of the State of Connecticut has provided financial assistance to Episcopal Social Service of the Diocese of Connecticut, Inc., through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including low income elderly housing programs.

**Note 1 - Summary of Significant Accounting Policies:**

The accounting policies of the Episcopal Social Service of the Diocese of Connecticut, Inc., conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit agencies. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting - The financial statements contained in the Episcopal Social Service of the Diocese of Connecticut, Inc.'s, annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis; Revenues are recognized when earned rather than when received, and expenditures are recorded when they are incurred rather than when paid.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based upon regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (C.G.S. § 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant programs receipts are reflexed in the expenditure column of the Schedule of Expenditures of State Financial Assistance.

**Note 2 - Basis of Presentation:**

The accompanying Schedule Expenditure of State Awards includes the state grant activity of Episcopal Social Service of the Diocese of Connecticut, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
SECTION I — SUMMARY OF AUDITOR’S RESULTS:

Financial Statements:

Type of auditor’s report issued:  Qualified

Internal control over financial reporting:
- Significant deficiencies identified?  X
- Deficiencies identified that are not considered to be material weaknesses?  X

Noncompliance material to financial statements noted?  X

State Financial Assistance:

Internal control over major programs:
- Significant deficiencies identified?  X
- Deficiencies identified that are not considered to be material weaknesses?  X

Type of auditor’s report issued on compliance for major programs:  Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 4-236-24 of the Regulations to the State Single Audit Act?  X

Major Programs:
- Department of Education
- After School Program  11000-17084-2008-82079-170003  151,096

SECTION II — FINANCIAL STATEMENT FINDINGS

- We issued reports dated May 20, 2009, on compliance and on internal control over financial reporting based on our audit of financial statements performed in accordance with Government Auditing Standards.

- Our report on compliance indicated no reportable instances of noncompliance.

- Our report on internal control over financial reporting indicated no reportable conditions.

SECTION III — STATE AWARDS FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported relating to State financial assistance program.