

# **THE INTERNATIONAL CENTER**

FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2023 AND 2022  
TOGETHER WITH AUDITORS' REPORTS

**THE INTERNATIONAL CENTER**

**TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 – 3
FINANCIAL STATEMENTS:	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 11
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	12 - 13
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB UNIFORM GUIDANCE	14 - 16
SCHEDULES:	
Schedule of Expenditures of Federal Awards	17
Schedule of Findings and Questioned Costs	18 – 19
Summary Schedule of Prior Audit Findings	20

30 Columbia Corporate Center  
10440 Little Patuxent Parkway, Suite 590  
Columbia, Maryland 21044

T:410.992.0200  
F:410.992.0207  
ChapinSandstrom.com

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The International Center  
Washington, DC

### **Report on the Financial Statements, Summarized Comparative Information and Supplementary Information**

#### ***Opinion***

We have audited the accompanying financial statement of The International Center (a District of Columbia not-for-profit corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, the statement of functional expenses for the year ended December 31, 2023, and the notes to these financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The International Center as of December 31, 2023 and 2022 and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America (GAAP).

#### ***Basis for Opinion***

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for one year after the date the financial statements are available to be issued; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Center or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Center's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives under GAAS and *Government Auditing Standards* 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 auditors' 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 GAAS 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 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 GAAS 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 supporting the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centers' internal control. Accordingly, we express no such opinion.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are also required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject to the auditing procedures applied in our most recent audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the respective financial statements as a whole.

### ***Summarized Comparative Information***

The summarized comparative totals of functional expenses for the year ended December 31, 2022 presented herein was derived from those audited financial statements in which we expressed an unmodified opinion dated August 21, 2023 and, in our opinion, are consistent in all material respects with those financial statements.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report of even date herewith on our tests of the Center's compliance with laws, regulations, contracts, grant agreements and other matters as well as our consideration of its internal control over financial reporting.

The purpose of that report is solely to describe the scope of our testing of compliance and our consideration of internal control over financial reporting and the results of that work, and not to provide an opinion on compliance or on internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our most recent audit.

*Chapin Fundations, LLC*

September 30, 2024

**THE INTERNATIONAL CENTER**

**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 451,381	\$ 559,872
Accounts receivable	12,960	127,604
Prepaid expenses	4,741	9,315
	<u>469,082</u>	<u>696,791</u>
Total current assets	<u>469,082</u>	<u>696,791</u>
	<u>\$ 469,082</u>	<u>\$ 696,791</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ -	\$ -
Accrued expenses	37,093	182,947
	<u>37,093</u>	<u>182,947</u>
Total liabilities	<u>37,093</u>	<u>182,947</u>
<b>NET ASSETS:</b>		
Without donor restrictions	337,099	400,069
With donor restrictions	94,890	113,775
	<u>431,989</u>	<u>513,844</u>
Total net assets	<u>431,989</u>	<u>513,844</u>
	<u>\$ 469,082</u>	<u>\$ 696,791</u>

**THE INTERNATIONAL CENTER**

**STATEMENTS OF ACTIVITIES**

**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue and support --		
Government grants	\$ 799,676	\$ 1,784,763
Contributions of financial assets	16,785	29,928
Contributions of nonfinancial assets	-	95,760
Net assets released from restrictions	<u>23,485</u>	<u>21,301</u>
	<u>839,946</u>	<u>1,931,752</u>
Expenses --		
Program services	744,430	1,465,752
Management and general	<u>158,386</u>	<u>208,722</u>
	<u>902,816</u>	<u>1,674,474</u>
Change in net assets without donor restrictions	<u>(62,870)</u>	<u>257,278</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions of financial assets	4,500	18,325
Net assets released from restrictions	<u>(23,485)</u>	<u>(21,301)</u>
Change in net assets with donor restrictions	<u>(18,985)</u>	<u>(2,976)</u>
Change in net assets	(81,855)	254,302
NET ASSETS, Beginning of year	<u>513,844</u>	<u>259,542</u>
NET ASSETS, End of year	<u>\$ 431,989</u>	<u>\$ 513,844</u>

**THE INTERNATIONAL CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**  
**(WITH COMPARATIVE TOTALS FOR 2022)**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total 2023</u>	<u>Total 2022</u>
Consultants	\$ 244,792	\$ 118,585	\$ 363,377	\$ 367,975
Direct program activities	207,055	-	207,055	420,587
Salaries and related	161,389	-	161,389	413,698
Equipment	46,657	-	46,657	167,339
Travel	42,870	-	42,870	81,801
Rent	25,737	2,915	28,652	27,309
Professional fees	7,000	20,627	27,627	25,496
Office expenses	770	8,199	8,969	42,630
Bank charges	5,160	-	5,160	18,119
Telephone	-	4,300	4,300	5,999
Small grants	3,000	-	3,000	4,130
Insurance	-	2,410	2,410	2,319
Repairs / maintenance	-	1,312	1,312	1,276
Postage / delivery	-	38	38	36
Donated program services	-	-	-	95,760
	<u>\$ 744,430</u>	<u>\$ 158,386</u>	<u>\$ 902,816</u>	<u>\$ 1,674,474</u>



**THE INTERNATIONAL CENTER**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (81,855)	\$ 254,302
Adjustments to reconcile changes in net assets to net cash provided by operating activities -		
(Increase) decrease in -		
Accounts receivable	114,644	(84,917)
Prepaid expenses	4,574	1,427
Increase (decrease) in -		
Accounts payable and accrued expense	(145,854)	74,015
Grant advances	-	-
	<u>(108,491)</u>	<u>244,827</u>
Net cash provided by operating activities		
	(108,491)	244,827
NET CHANGE IN CASH		
	559,872	315,045
CASH, Beginning of Year		
	<u>\$ 451,381</u>	<u>\$ 559,872</u>
CASH, End of Year		

## THE INTERNATIONAL CENTER

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

#### 1. NATURE OF ACTIVITIES:

The International Center (Center), founded as a District of Columbia nonprofit corporation in 1977, has as its principal purpose the promotion of greater international understanding and the lessening of international frictions.

To carry out this overall purpose, the Center typically is involved in various humanitarian relief programs overseas (previously in Africa, Cambodia, etc.). Currently, the Center is actively involved in the Disabilities Project in Vietnam for which the target group will be persons with disabilities having mobility impairments regardless of causality or mechanism.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These financial statements have been prepared on the accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America (US GAAP). The functional currency for its foreign operations is the US dollar.

##### Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### Cash

The Center currently maintains bank accounts in the United States as well as Vietnam (balances in Vietnam totaled \$11,270 and \$104,356 at December 31, 2023 and 2022) for which approximately \$195,000 and \$203,000 was not covered by FDIC insurance as of December 31, 2023 and 2022.

##### Accounts Receivable

Accounts receivable typically consist of incurred allowable costs under the cost reimbursement arrangements (see revenue recognition policy) together with amounts earned under exchange transactions (e.g., service contracts) when present.

Management reviews all balances outstanding under cost reimbursement arrangements to ensure amounts include only allowable costs. Balances due under service contracts are reviewed for collectibility based on various factors including past collection history and current economic

conditions. Any amounts deemed uncollectible would be reduced by an allowance for doubtful accounts (credit loss) and ultimately written off after all reasonable collection efforts have been exhausted. As of December 31, 2023 and 2022, all amounts are considered fully collectible.

#### Property and Equipment

Purchased property and equipment are recorded at cost and depreciated on a straight-line basis over estimated useful lives ranging from three to five years. Generally speaking, the Center uses a capitalization threshold of \$3,000.

#### Revenue Recognition

Revenue typically includes contributions from individual donors together with funding from certain US government agencies – either as a direct recipient or as a subrecipient (under cost reimbursement and/or fixed-amount funding arrangements) and service contracts.

Consistent with ASC 958, unconditional contributions are considered available for unrestricted use unless specifically restricted by donor. In this regard, when restricted contributions are received, such support is reported as an increase in net assets with donor restrictions unless the restriction is satisfied in the same time period in which the contribution was received, in which case the support is reported as an increase in net assets without donor restrictions.

When a restriction is met or otherwise satisfied in a subsequent period, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets release from restrictions.

Conditional promises to give (including amounts received containing substantive conditions) are recognized consistent with the policy noted above once the condition on which they depend is substantially met. Conditional funding received in advance is reported as refundable advances.

Grant funding, including funding from the US government, follows the policies noted above if determined to be contributions rather than exchange transactions. In this regard, cost reimbursement is recognized as revenue when allowable costs are incurred and fixed-amount funding is recognized as revenue upon completion of stipulated milestones. For exchange transactions (service contracts), revenue is recognized as earned.

Additionally, the Center receives donated services - typically in direct support of one or more of its programs. Consistent with ASC 958-605-25, the Center recognizes contributions of services (nonfinancial assets) when such either create or enhance a nonfinancial asset or require specialized skill and would typically need to be purchased if not donated. For the year ended December 31, 2022, these donated services consisted of services from healthcare providers located in Vietnam for which reported amounts were valued based on submitted invoices.

### Functional Reporting of Expenses

Expenses have been reported consistent with internal reporting practices, with certain costs allocated among the programs and supporting services benefited. Direct program activities as reported on the statement of functional expenses represent in-country expenses incurred to carry-out related program goals such as those involving patient and school services, assessing and delivering mobility devices to person with disabilities, etc.

The expenses allocated principally consist of consulting and salaries and related. Allocation is based on estimated level of effort.

The statement of functional expenses contains summarized comparative information for 2022. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

### Income Taxes

The Center is exempt from income taxes (other than unrelated business income) under Internal Revenue Code (IRC) section 501(c)(3), having been determined by the Internal Revenue Service to be a publicly supported organization under IRC section 509(a)(1). There was no net unrelated business taxable income for the two-year period ended December 31, 2023.

Based on an analysis of identified tax positions, management determined that such were more likely than not to be sustained upon examination by the respective taxing authorities including resolution of any related appeals or litigation processes based on the technical merits of each position. Furthermore, based on this analysis, management determined that all identified positions should be fully recognized in the respective financial statements consistent with ASC 740, *Income Taxes*. The Center is no longer subject to examination by US taxing authorities for years prior to 2020.

### Subsequent Events

Management has evaluated subsequent events through September 30, 2024, the date that these audited financial statements were available to be issued.

## 3. COMMITMENTS AND CONTINGENCIES:

### Office Lease

While the US headquarters uses a virtual office, the Center leases two separate apartments as office space in Hanoi, Vietnam. The leases expired in November 2023 and one has been renewed, expiring in November 2026. For 2023 and 2022, rent expense under the Hanoi leases (excluding parking) totaled approximately \$24,400 and \$22,800, respectively. As of December 31, 2023, remaining noncancelable lease payments total approximately \$30,000.

Cost Reimbursement Arrangements

As noted above, the Center receives a significant portion of its revenue under cost reimbursement arrangements. And while such arrangements are subject to audit, management is of the opinion that the results of any audit would not have a material adverse effect on the Center's financial position.

4. NET ASSETS WITH DONOR RESTRICTIONS:

As of December 31, 2023 and 2022, net assets with donor restrictions consist of 1) \$82,433 and \$99,938 to support the New Forests Project; and 2) \$12,457 and \$13,836 to support the Vietnam programs.

5. LIQUIDITY AND AVAILABILITY:

As of December 31, 2023, the Center has net financial assets of \$369,451 consisting of cash of \$451,381 and receivables of \$12,961 less net assets with donor restrictions totaling \$94,890, available to meet cash needs for general expenditures within one year of the statement of financial position date.

6. CONDITIONAL GOVERNMENT CONTRIBUTIONS:

As of December 31, 20223, the remaining obligated government funds to be received based on executed funding awards were as follows:

Humanity and Inclusion	\$3,704,454
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30 Columbia Corporate Center  
10440 Little Patuxent Parkway, Suite 590  
Columbia, Maryland 21044

T:410.992.0200  
F:410.992.0207  
ChapinSandstrom.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER MATTERS AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
The International Center  
Washington, DC

We have audited, 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, the financial statements of The International Center (Center), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to these financial statements, and have issued our report thereon dated September 30, 2024.

**Compliance and Other Matters**

Compliance with laws, regulations, contracts and grant agreements applicable to the Center is the responsibility of its management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Center's 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, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. 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*.

**Internal Control over Financial Reporting**

Management of the Center is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of 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 in internal*

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

### **Purpose of this Report**

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

*Chapin Foundation, LLC*

September 30, 2024

30 Columbia Corporate Center  
10440 Little Patuxent Parkway, Suite 590  
Columbia, Maryland 21044

T:410.992.0200  
F:410.992.0207  
ChapinSandstrom.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE OMB UNIFORM GUIDANCE**

Board of Directors  
The International Center  
Washington, DC

**Report on Compliance**

***Opinion on Compliance for Each Major Federal Program***

We have audited the compliance of The International Center (Center) with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2023. The Center's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States, and the audit requirements under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Center, and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program.

And while we believe that our audit provides a reasonable basis for our opinion, it does not provide a legal determination of Center's compliance with the compliance requirements referred to above.



### ***Management's Responsibility for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Center's federal program.

### ***Auditors' Responsibility for the Audit of Compliance***

Our objectives under the standards and Uniform Guidance referred to above are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to issue an auditors' report that includes our opinion on the Center's compliance.

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 GAAS, *Government Audit Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user of the report on compliance about the Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary.
- obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over compliance. Accordingly, we express no such opinion.

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

## Report on Internal Control over Compliance

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

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

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

*Chapin Foundation, LLC*

September 30, 2024

**THE INTERNATIONAL CENTER**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

<u>Federal Agency / Pass-Through Entity / Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Number</u>	<u>Federal Expenditures</u>
U.S. Agency for International Development // IC-VVAF Disabilities Project	98.001	-	\$ 526,172
U.S. Agency for International Development / Humanity & Inclusion Vietnam / Provision of Community Services for Persons with Disabilities	98.001	-	273,504
			<hr/> <u>\$ 799,676</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

1. BASIS OF PRESENTATION:

The above schedule of expenditures of federal awards is for the federal financial assistance received by The International Center (Center) in the form of a cooperative agreement and fixed-amount award. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures are reported on the accrual basis of accounting, consistent with the basis of accounting used to prepare the Center's audited financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement (e.g., the Center has adjusted the distribution base on which indirect cost are allocated, using its negotiated indirect rate, for distorting items such as major subcontracts when present). The Center is subject to a predetermined indirect rate of 18 percent for 2023 (and therefore not using the alternative de minimis indirect rate of 10 percent).

**THE INTERNATIONAL CENTER**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2023**

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**SECTION I -- SUMMARY OF AUDITORS' RESULTS**

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*Financial Statements*

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered material weaknesses?  Yes  None reported

Noncompliance material to financial statements?  Yes  No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None reported

Type of auditors' report issued on compliance for major federal programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with § 200.516(a) of Uniform Guidance  Yes  No

Identification of major program:

Assistance Listing Number

Name of Federal Program

98.001

Disabilities Project

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk?

Yes  No

**THE INTERNATIONAL CENTER**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2023**

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**SECTION II -- FINANCIAL STATEMENT FINDINGS**

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None.

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**SECTION III -- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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None.

THE INTERNATIONAL CENTER

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2023

N/A