

REFUGEE COMMUNITY PARTNERSHIP INC.

Financial Statements

December 31, 2023

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Independent Auditor's Report

To the Board of Directors
Refugee Community Partnership Inc.
Carrboro, North Carolina

Opinion

We have audited the accompanying financial statements of Refugee Community Partnership Inc. (a nonprofit organization), 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 the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Refugee Community Partnership Inc. as of December 31, 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. 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 Refugee Community Partnership 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Refugee Community Partnership Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors
Refugee Community Partnership Inc.
Carrboro, North Carolina

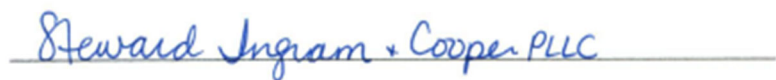
Auditor's Responsibilities for the Audit of the Financial Statements

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 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 generally accepted 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 Refugee Community Partnership 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, that raise substantial doubt about Refugee Community Partnership Inc.'s 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.



Raleigh, North Carolina
April 30, 2024

REFUGEE COMMUNITY PARTNERSHIP INC.

Statement of Financial Position

December 31, 2023

<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 234,722
Restricted cash	75,321
Promises to give, net	393,928
Accounts receivable, net	1,804
Grants receivable, net	74,175
Prepaid expenses	2,042
Total current assets	<u>781,992</u>
Other assets:	
Promises to give, net	183,425
Operating lease assets	33,445
Total other assets	<u>216,870</u>
 Total assets	 <u><u>\$ 998,862</u></u>
 <u>Liabilities and Net Assets</u>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 11,831
Operating lease liabilities	29,899
Total current liabilities	<u>41,730</u>
Long-term liabilities:	
Operating lease liabilities	<u>2,773</u>
 Total liabilities	 <u>44,503</u>
Net assets:	
Without donor restrictions	301,685
With donor restrictions	652,674
Total net assets	<u>954,359</u>
 Total liabilities and net assets	 <u><u>\$ 998,862</u></u>

REFUGEE COMMUNITY PARTNERSHIP INC.

Statement of Activities

For the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains:			
Contributions	\$ 114,275	\$ -	\$ 114,275
Grants	139,773	417,042	556,815
Government grants	174,218	28,940	203,158
Program service revenue	26,157	-	26,157
Interest income	2,442	-	2,442
Net assets released from restrictions	519,348	(519,348)	-
Total revenue, support and gains	976,213	(73,366)	902,847
Expenses:			
Program Services			
Collective care	372,368	-	372,368
Language justice	354,915	-	354,915
Direct assistance	1,152	-	1,152
Total program services	728,435	-	728,435
Supporting services			
Management and general	203,684	-	203,684
Fundraising	99,319	-	99,319
Total supporting services	303,003	-	303,003
Total expenses	1,031,438	-	1,031,438
Change in net assets	(55,225)	(73,366)	(128,591)
Net assets at beginning of year	356,910	726,040	1,082,950
Net assets at end of year	\$ 301,685	\$ 652,674	\$ 954,359

REFUGEE COMMUNITY PARTNERSHIP INC.

Statement of Functional Expenses
For the year ended December 31, 2023

	Program Services				Supporting Services			Total
	Collective Care	Language Justice	Direct Assistance	Total Program Services	Management & General	Fundraising	Total Supporting Services	
Salaries	\$ 290,491	\$ 251,407	\$ -	\$ 541,898	\$ 84,195	\$ 39,639	\$ 123,834	\$ 665,732
Payroll taxes	28,088	18,454	-	46,542	5,947	2,706	8,653	55,195
Employee benefits	16,832	13,306	-	30,138	32,016	1,143	33,159	63,297
Contractors	19,263	57,954	-	77,217	29,640	52,594	82,234	159,451
Occupancy	-	475	-	475	18,059	-	18,059	18,534
Insurance	3,314	3,283	-	6,597	7,752	22	7,774	14,371
Information technology	-	-	-	-	1,444	-	1,444	1,444
Travel and meetings	3,511	6,437	82	10,030	97	65	162	10,192
Office supplies and expenses	5,987	2,226	-	8,213	5,066	2,420	7,486	15,699
Professional fees	-	-	-	-	18,345	105	18,450	18,450
Subscriptions and licenses	-	-	-	-	353	-	353	353
Training and education	2,192	242	-	2,434	523	475	998	3,432
Community	205	1,002	-	1,207	247	-	247	1,454
COVID relief	-	-	1,070	1,070	-	-	-	1,070
Program supplies	2,485	129	-	2,614	-	150	150	2,764
	<u>\$ 372,368</u>	<u>\$ 354,915</u>	<u>\$ 1,152</u>	<u>\$ 728,435</u>	<u>\$ 203,684</u>	<u>\$ 99,319</u>	<u>\$ 303,003</u>	<u>\$ 1,031,438</u>

REFUGEE COMMUNITY PARTNERSHIP INC.

Statement of Cash Flows

For the year ended December 31, 2023

Cash flows from operating activities:	
Support from contributions and grants	\$ 887,913
Program service revenue	33,311
Employee compensation paid	(663,832)
Other operating expenses paid	(364,010)
Interest and other income collected	<u>2,442</u>
Net cash used in operating activities	<u>(104,176)</u>
Net change in cash, cash equivalents, and restricted cash	(104,176)
Cash, cash equivalents, and restricted cash beginning of year	<u>414,219</u>
Cash, cash equivalents, and restricted cash end of year	<u><u>\$ 310,043</u></u>
 <u>Reconciliation of cash, cash equivalents, and restricted cash</u> <u>to amounts reported in the statement of financial position:</u>	
Cash and cash equivalents	\$ 234,722
Restricted cash	<u>75,321</u>
Total cash, cash equivalents, and restricted cash	<u><u>\$ 310,043</u></u>

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Refugee Community Partnership Inc. (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of Organization

Refugee Community Partnership Inc. is a non-profit organization organized under Chapter 55A of the General Statutes of North Carolina. The Organization is located in Carrboro, North Carolina. The mission of the Organization is to disrupt threats to the health and safety of refugee and migrant communities, creating systems that connect people to the resources they need while mobilizing institutions to eliminate barriers to access.

Refugee Community Partnership Inc's collective care program uses deep reciprocal relationships to facilitate access to resources and services. Initiatives include The Hive, where information is translated and disseminated into over 6 languages; Bridge Builders, where volunteers support member families in meeting personal goals; Neighborhood Support Circles and Summer Camp, where youth are provided academic enrichment and social-emotional tools; Women's Group, using art-based therapy to provide social and emotional support for women; and Community Conversations, gatherings between refugee and migrant residents and local institutions to facilitate reciprocal learning.

Refugee Community Partnership Inc's language justice program improves language access in institutional settings by training migrant and refugee community members as professional language workers, supplying local service providers with quality language services, and providing one-on-one language accompaniment to the Organization's members as they navigate complex systems and institutions. Refugee Community Partnership Inc. provides institutional advocacy to reveal language discrimination, make system-level reforms, and build a long-term economy for sustainable language work. Initiatives include Language Navigators, Interpreter Bank, Language Justice Consulting, and the Doula Initiative.

Refugee Community Partnership Inc. strives to support local refugee families in establishing and maintaining "home" through accessing resources and services. To accomplish this mission in part, the Organization operates a direct financial assistance program through which members can apply to receive a grant for essential needs.

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all checking accounts, money market accounts, certificates of deposit, and any other highly liquid investments with original maturities of less than three months to be cash equivalents. The Organization's checking and savings accounts are held with Cooperativa Latino Credit Union.

At any given time, amounts in these accounts may exceed the \$250,000 federally insured limit. As of December 31, 2023, the Organization had a balance in excess of the federally insured limit of \$60,043.

Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount, less an allowance for credit losses, as needed. In the ordinary course of business, the Organization does not require collateral under its contracts with customers. The Organization maintains an allowance for credit losses which is based on management's assessments of the amount which may become uncollectible in the future and is determined through consideration of prevailing economic and industry conditions. Uncollectible accounts are written off after repeated attempts to collect from the customer have been unsuccessful. As of December 31, 2023, management's assessment of future uncollectible amounts has resulted in no allowance for credit losses. Accounts receivable consist of \$1,804 for program services as of December 31, 2023.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statement of Activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, and assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. The Organization reviewed the unconditional promises to give and determined that no allowance for uncollectible promises to give was necessary as of December 31, 2023.

Grants Receivable

The Organization records grants receivable under a cost reimbursement arrangement when the allowable expense has been incurred and funds are expected to be received from the grantor.

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Board designated net assets – Net assets without donor restrictions that have self-imposed limits. The board of directors has not placed any designations on net assets as of December 31, 2023.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

The Organization recognizes revenue from program services and educational events at the time the service or event takes place.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is 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.

Revenue earned under cost-reimbursement grant agreements is recognized when the allowable costs have been incurred and are recorded as grants receivable until the funds are received.

Donated Services

A number of volunteers have donated significant amounts of time to the Organization's program services. Donated services are recognized as contributions if the services 1) create or enhance nonfinancial assets or 2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services not meeting these criteria are not reflected in the financial statements.

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

All full-time employees of the Organization are entitled to paid-time-off. The Organization's policy is to recognize the costs of compensated absences when paid to employees.

Leases

At the inception of a lease the Organization determines whether the lease is an operating or financing lease based on the provisions in *Leases (Topic 842)*. The Organization does not apply the provisions of Topic 842 to leases with terms of 12 months or less. Instead, they recognize lease expense for such leases on a straight-line basis over the lease term.

Functional Allocation of Expenses

The costs of programs and supporting service activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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 those estimates.

Subsequent Events

The Organization has evaluated all subsequent events through April 30, 2024, the date the financial statements were available to be issued.

Note 2 - Recent Accounting Pronouncements

Adoption of New Accounting Standards

On January 1, 2023, the Organization adopted ASU 2016-03 *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including trade receivables, loan receivables, held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented as the net amount expected to be collected by using an allowance for credit losses.

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 2 - Recent Accounting Pronouncements (continued)

The Organization adopted ASU 2016-13 using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. Analysis of the provisions contained within ASU 2016-13 did not result in a transition adjustment as the adoption of the CECL.

Note 3 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 234,722
Promises to give, net	75,000
Accounts receivable, net	1,804
Grants receivable, net	<u>74,175</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 385,701</u>

Financial assets not available for general expenditure within one year consist of donor restricted cash, and restricted promises to give, net. Restricted cash consists of funds that have been restricted by the donor for language justice and collective care initiatives. Financial assets not available for general expenditure within one year comprise the following:

Restricted cash	\$ 75,321
Promises to give for donor restricted purposes	454,679
Promises to give estimated collection in greater than one year	<u>47,674</u>
Financial assets not available to meet general expenditures within one year due to certain restrictions	<u>\$ 577,674</u>

Note 4 – Grants Receivable

The Organization's grants receivable consists of a federal grant to be used for creating culturally and linguistically responsive systems of support in the amount of \$63,750, and a local government grant to be used for improving child and family social-emotional and mental health in the amount of \$10,425. The total grants receivable as of December 31, 2023 amounted to \$74,175.

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 5 – Promises to Give

Unconditional Promises to Give

Unconditional promises to give are estimated to be collected as follows at December 31, 2023:

Within one year	\$ 399,807
In one to five years	<u>192,000</u>
	591,807
Less discount to net present value at rates ranging from .06% to 4.69%	<u>(14,454)</u>
Promises to give, net	\$ <u>577,353</u>

As of December 31, 2023, net promises to give totaling \$454,679 were restricted by donors for specified purposes.

Conditional Promises to Give

In September 2022, the Organization received a conditional promise to give in the amount of \$15,000 for funding a community health worker to develop their abilities to address mental health needs and provide mental health support to the Latinx community. The Organization received \$5,000 of this amount in 2022 upon signing the agreement, and \$5,000 in 2023 for meeting requirements that the community health worker complete a specified training course. The remaining balance of \$5,000 is payable upon meeting the following conditions:

- \$5,000 upon completion of serving 10 clients by the community health worker.

In July 2023, the Organization received a conditional promise to give in the amount of \$15,000 for serving refugee and immigrant families with young children and provide language support. The Organization received \$7,500 of this amount in 2023 upon signing the agreement. The remaining balance of \$7,500 is payable upon meeting the following conditions:

- Serve 113 refugee and immigrant families with young children through HIVE (a multilingual digital platform that distributes resource information daily) as well as through one on one support in 6 languages through Community Interpreters.
- Provide one on one support through Community Coordinators and Community Interpreters for immigrant and refugee residents improving access of young children and their families to public institutions and resources.
- Support 4 Durham-based, family-focused institutions with technical assistance related to language justice through providing patient/client feedback on their experience accessing language services, customized training, and consultation services.

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 5 – Promises to Give (continued)

In July 2023, the Organization received a conditional promise to give in the amount of \$12,000 for the building integrated communities partnership program, which partners with local governments to create inclusive practices and policies for residents born in other countries. The Organization received \$6,000 of this amount in 2023 upon signing the agreement and assembling a team to submit a work plan for completing program milestones. The remaining balance of \$6,000 is payable upon meeting the following conditions:

- Program milestone includes convening a team for monthly meetings to determine community needs and workshop language access best practices.
- Communication with the public about program milestones.
- Finalizing a plan to present for approval.

Note 6 – Restricted Cash

Restricted cash consists of funds that have been restricted by the donor for use in language justice and collective care programs in the amount of \$75,321 for the year ended December 31, 2023.

Note 7 - Net Assets

The Organization's net assets with donor restrictions are restricted for the following purposes as of December 31, 2023:

Subject to expenditure for specified purpose (language justice and collective care programs)	\$ 75,321
Subject to the passage of time	122,674
Subject to the passage of time and expenditure for specified purpose	<u>454,679</u>
Total net assets with donor restrictions	\$ <u>652,674</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the year ended December 31, 2023:

Subject to expenditure for specified purpose	\$ 115,452
Subject to the passage of time	45,000
Subject to the passage of time and expenditure for specified purpose	<u>358,896</u>
Net assets released from donor restrictions	\$ <u>519,348</u>

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 8 - Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

In the normal course of business, the Organization is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, management believes that there are no significant unrecognized tax liabilities as of December 31, 2023. The Organization files Form 990 (Return of Organization Exempt from Tax). The Organization is no longer subject to federal tax return examinations for years ending prior to December 31, 2020.

Note 9 – Revenue from Contracts with Customers

The Organization receives revenue from contracts with customers primarily through its educational events and program services. Revenue from educational events and program services is recognized at the time the event or service takes place.

For the year ended December 31, 2023, revenue from contracts with customers consisted of the following:

	<u>Amount</u>
Educational events and program services	\$ <u>26,157</u>

Receivables related to contracts with customers are as follows:

	<u>Amount</u>
December 31, 2023	\$ <u>1,804</u>
December 31, 2022	\$ <u>11,000</u>

Note 10 – Operating Leases

The Organization entered into two non-cancellable operating leases in August 2023 for its office spaces located in Carrboro, North Carolina. Both leases have a remaining lease term through January 2025. The Organization has used an annual discount rate of 4.00%, which is the Organization's incremental borrowing rate, to calculate the present value of the lease payments required under these leases.

Operating lease costs are reflected in occupancy expense on the Statement of Functional Expenses. For the year ended December 31, 2023, operating lease costs amounted to \$18,534.

REFUGEE COMMUNITY PARTNERSHIP INC.

Notes to Financial Statements

December 31, 2023

Note 10 – Operating Leases (continued)

The following table reconciles the undiscounted cash flow maturities to the operating lease liability recorded on the statement of financial position as of December 31, 2023:

	<u>Amount</u>
December 31, 2024	\$ 33,384
December 31, 2025	<u>2,782</u>
Total future minimum lease payments	\$ 36,166
Less: Present value adjustment	<u>(3,494)</u>
Total operating lease liabilities	\$ <u>32,672</u>

Cash payments included in the measurement of the Organization’s operating lease were \$18,410 for the year ended December 31, 2023.

Note 11 – Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated on the basis of estimates of time and effort.

Note 12 – Supplemental Disclosures to Statement of Cash Flows

No cash was paid for interest or income taxes for the year ended December 31, 2023.