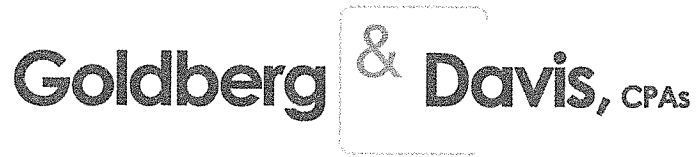


INTERNATIONAL HOUSE OF METROLINA, INC.

**Financial Statements
December 31, 2022 and 2021**



Independent Auditor's Report

To the Board of Directors of
International House of Metrolina, Inc.

Opinion

We have audited the accompanying financial statements of International House of Metrolina, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 International House of Metrolina, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with U. S. generally accepted auditing standards. 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 International House of Metrolina, Inc. 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 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 U.S. generally accepted accounting principles, 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 any conditions or events, considered in the aggregate, that raise substantial doubt about International House of Metrolina, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 one resulting from error, as fraud may involve collusion,

Independent Auditor's Report

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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 International House of Metrolina, 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 International House of Metrolina, 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.

Goldberg + Davis, CPAs

Charlotte, North Carolina
April 26, 2023

International House of Metrolina, Inc.

Financial Statements

STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2022	2021
Assets		
Cash	\$ 534,650	\$ 491,348
Funding receivables	68,862	20,693
Refundable sales taxes	4,972	3,130
Endowment fund	14,784	16,700
Furniture and equipment, net of accumulated depreciation of \$34,095 in 2022 and 2021	-	-
	<u>\$ 623,268</u>	<u>\$ 531,871</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accruals	<u>\$ 29,526</u>	<u>\$ 2,985</u>
Net assets:		
Without donor restrictions	593,742	528,886
With donor restrictions	-	-
	<u>593,742</u>	<u>528,886</u>
	<u>\$ 623,268</u>	<u>\$ 531,871</u>

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

International House of Metrolina, Inc.

Financial Statements

STATEMENTS OF ACTIVITIES

	Year ended December 31,	
	2022	2021
Changes in net assets without donor restrictions		
Revenues:		
Contributions and grants	\$ 938,300	\$ 664,513
Programs	402,198	351,737
Other	<u>21,309</u>	<u>12,573</u>
	1,361,807	1,028,823
Net assets released from restrictions - expiration of time restrictions	<u>-</u>	<u>80,000</u>
Total revenues without donor restrictions	<u>1,361,807</u>	<u>1,108,823</u>
Expenses:		
Programs:		
Citizen diplomacy	226,055	202,868
Immigration law clinic	379,174	304,573
Education - youth	279,489	236,663
Education - adult	<u>148,931</u>	<u>25,566</u>
	1,033,649	769,670
Fundraising and development	172,167	94,643
Management and general	<u>91,135</u>	<u>42,100</u>
Total expenses	<u>1,296,951</u>	<u>906,413</u>
Increase in net assets without donor restrictions	<u>64,856</u>	<u>202,410</u>
Changes in net assets with donor restrictions		
Net assets released from restriction	<u>-</u>	<u>(80,000)</u>
Increase in net assets	64,856	122,410
Net assets at beginning of year	<u>528,886</u>	<u>406,476</u>
Net assets at end of year	<u>\$ 593,742</u>	<u>\$ 528,886</u>

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

International House of Metrolina, Inc.

Financial Statements

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			Total
	CDP	Immigration clinic	Youth Education	Adult Education	Program Services	Development and general	Management	Total	
Personnel costs	\$ 162,346	\$ 320,984	\$ 83,132	\$ 131,658	\$ 698,120	\$ 93,918	\$ 63,487	\$ 855,525	
Occupancy	18,454	18,555	18,454	7,382	62,845	7,382	3,953	74,180	
Accounting	2,542	2,542	2,542	1,017	8,643	1,017	7,308	16,968	
Insurance	2,885	4,853	2,885	1,154	11,777	1,154	2,550	15,481	
Gala	-	-	-	-	0	37,161	-	37,161	
Fundraising/marketing	907	626	626	251	2,410	18,053	3,137	23,600	
Professional fees/consultants	7,184	151	151	60	7,546	480	430	8,456	
Fees and taxes	230	1,094	151	94	1,569	2,047	1,066	4,682	
Office	5,186	9,816	4,862	2,573	22,437	2,362	1,330	26,129	
Travel/meals	5,187	2,609	1,039	537	9,372	1,390	1,056	11,818	
Direct programming costs	18,767	1,214	163,710	2,593	186,284	-	-	186,284	
Technology	225	9,880	-	150	10,255	3,574	328	14,157	
Staff development	513	1,817	413	339	3,082	2,378	5,189	10,649	
Supplies	941	3,336	1,424	673	6,374	822	614	7,810	
Dues and affiliations	688	1,697	100	450	2,935	429	687	4,051	
	\$ 226,055	\$ 379,174	\$ 279,489	\$ 148,931	\$ 1,033,649	\$ 172,167	\$ 91,135	\$ 1,296,951	

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

International House of Metrolina, Inc.

Financial Statements

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021**

	Program Services					Supporting Services			Total
	CDP	Immigration clinic	Youth Education	Adult Education	Program Services	Development	Management and general	Total	
Personnel costs	\$ 150,958	\$ 255,146	\$ 125,913	\$ 13,662	\$ 545,679	\$ 59,101	\$ 29,877	\$ 634,657	
Occupancy	21,404	19,958	20,145	7,935	69,442	8,114	2,204	79,760	
Accounting	2,616	2,616	3,240	1,046	9,518	1,046	2,881	13,445	
Insurance	3,598	5,191	3,598	1,452	13,839	1,485	352	15,676	
Gala	-	-	-	-	0	11,394	-	11,394	
Fundraising/marketing	212	408	246	70	936	7,612	44	8,592	
Office	5,415	7,495	3,234	832	16,976	1,788	345	19,109	
Travel/meals	821	214	686	65	1,786	829	438	3,053	
Direct programming costs	8,479	898	76,209	-	85,586	-	-	85,586	
Dues and affiliations	1,423	2,095	595	51	4,164	136	1,770	6,070	
Technology	1,780	7,267	1,358	282	10,687	286	659	11,632	
Staff development	5,393	1,823	515	-	7,731	549	1,519	9,799	
Other	769	1,462	924	171	3,326	2,303	2,011	7,640	
	\$ 202,868	\$ 304,573	\$ 236,663	\$ 25,566	\$ 769,670	\$ 94,643	\$ 42,100	\$ 906,413	

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

International House of Metrolina, Inc.

Financial Statements

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ 64,856	\$ 122,410
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Endowment loss (income)	1,916	(947)
(Increase) decrease in other assets	(50,011)	79,818
Increase in other liabilities	<u>26,541</u>	<u>198</u>
Net cash provided by operating activities	43,302	201,479
Cash, beginning of year	<u>491,348</u>	<u>289,869</u>
Cash, end of year	<u>\$ 534,650</u>	<u>\$ 491,348</u>

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

International House of Metrolina, Inc.

Notes to Financial Statements

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of activities:

International House of Metrolina, Inc. (the "Organization") is a private nonprofit organization located in Charlotte, NC. It provides a variety of programs and services to help meet the needs of the international community and to increase international understanding. The Organization is supported primarily through donor contributions and grants and fees for its programming services.

Relationship with Midwood International and Cultural Center (MICC):

With the termination of its lease agreement with St. John's Baptist Church in 2012, International House was given the opportunity to lease a building from the Charlotte-Mecklenburg school system, with the understanding that other small nonprofit organizations would also occupy space in the building. Since real estate management is not a mission of International House, a separate entity, Midwood International and Cultural Center (MICC), was set up to collect rents, perform maintenance services, and otherwise manage the property. For ease of tax reporting, MICC was set up as a single-member LLC, with International House being that single member. For financial reporting purposes, MICC is being treated as a separate entity, and these financial statements do not include any activity of MICC.

Promises to give:

Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions or grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program revenue recognition:

The organization earns revenue by charging fees for its programming services. Revenue is recognized at a point in time when the Organization satisfies a performance obligation by completing the service.

Contributions and grants:

Contributions and grants received are reported as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Furniture and equipment:

The Organization capitalizes furniture and equipment over \$2,500. Lesser amounts are expensed. Purchased furniture and equipment is capitalized at cost. Donations of furniture and equipment are recorded as contributions at their estimated fair value. Depreciation is computed using the straight-line method over the estimated economic useful lives of the assets, which range from 5-10 years.

Contributed services:

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

International House of Metrolina, Inc.

Notes to Financial Statements

Income tax status:

The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cost allocation:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel costs, which are allocated on the basis of estimates of time and effort, and occupancy and office expenses, which are allocated based on management's best estimate of usage.

NOTE 2 - RESTRICTIONS ON NET ASSETS:

There were no net assets with donor restrictions at the end of 2022 or 2021.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date are:

	2022	2021
Cash	\$ 534,650	\$ 491,348
Funding receivables	68,862	20,693
Refundable sales taxes	<u>4,972</u>	<u>3,130</u>
	<u>\$ 608,484</u>	<u>\$ 515,171</u>

In addition, the Organization maintains credit card availability of \$50,000 to cover short-term cash needs.

NOTE 4 - ENDOWMENT FUND:

An endowment fund has been established and is managed by the Foundation for the Carolinas for the benefit of International House program services. The Foundation has absolute authority and discretion as to the investment of the funds. The fund is invested in a range of fixed income and equity securities and is recorded at fair value as provided by the Foundation for the Carolinas. There was no activity in the fund during 2022 or 2021 except for net investment loss of (\$1,916) in 2022 and net investment gain of \$947 in 2021.

International House of Metrolina, Inc.

Notes to Financial Statements

NOTE 5 - RELATED PARTY TRANSACTIONS:

As explained in Note 1, International House is related to its landlord, Midwood International and Cultural Center (MICC). International House paid rent to MICC of approximately \$48,000 in 2022 and \$64,000 in 2021.

NOTE 6 - UNUSUAL GRANTS:

Included in Contributions and grants for 2021 was a forgiven PPP loan in the amount of \$106,000.

NOTE 7 - EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through April 26, 2023, the date the financial statements were available to be issued.