



## **IRCO**

**(Immigrant and Refugee Community Organization)**

Consolidated Financial Statements and Other Information  
as of and for the Year Ended September 30, 2020  
and Reports of Independent Accountants

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## **REPORT OF INDEPENDENT ACCOUNTANTS**

*The Board of Directors  
Immigrant and Refugee Community Organization:*

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Immigrant and Refugee Community Organization and Subsidiary, which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements 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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Immigrant and Refugee Community Organization and Subsidiary as of September 30, 2020, 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.

*Summarized Comparative Information*

We have previously audited Immigrant and Refugee Community Organization and Subsidiary's 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*Ernst & Young LLP*

January 26, 2021

## IRCO

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

SEPTEMBER 30, 2020

(WITH COMPARATIVE AMOUNTS FOR 2019)

	<b>2020</b>	<b>2019</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 3,863,436	2,955,507
Contributions receivable (note 5)	646,389	452,712
Government grants and contracts receivable (note 6)	3,870,227	3,103,895
Accounts receivable (note 7)	459,934	643,736
Prepaid expenses	229,153	204,133
Property and equipment (notes 8 and 10)	2,874,439	3,108,337
<b>Total assets</b>	<b>\$ 11,943,578</b>	<b>10,468,320</b>
<b>Liabilities:</b>		
Accounts payable and accrued expenses	328,045	301,340
Accrued payroll and related expenses	1,088,089	750,672
Deferred revenue and other liabilities	272,656	175,103
Long-term debt (note 10)	727,791	732,293
<b>Total liabilities</b>	<b>2,416,581</b>	<b>1,959,408</b>
<b>Net assets:</b>		
Without donor restrictions:		
Available for programs and general operations	6,070,784	5,101,985
Net investment in capital assets	2,146,648	2,376,044
<b>Total without donor restrictions</b>	<b>8,217,432</b>	<b>7,478,029</b>
With donor restrictions (note 11)	1,309,565	1,030,883
<b>Total net assets</b>	<b>9,526,997</b>	<b>8,508,912</b>
Commitments and contingencies (notes 5, 9, 15, 16, and 17)		
<b>Total liabilities and net assets</b>	<b>\$ 11,943,578</b>	<b>10,468,320</b>

See accompanying notes to consolidated financial statements.

## IRCO

**CONSOLIDATED STATEMENT OF ACTIVITIES**

YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	2020		Total	2019
	Without donor restrictions	With donor restrictions		
<b>Revenues, gains, and other support:</b>				
Government grants and contracts <i>(note 12)</i>	\$ 21,433,768	–	21,433,768	21,812,749
Other private grants	294,582	1,412,096	1,706,678	1,397,726
Contributions	352,107	547,501	899,608	701,322
United Way	530,322	–	530,322	460,469
Interpretation and translation fees	2,798,675	–	2,798,675	3,557,335
Interest income	10,279	–	10,279	4,043
Gain on sales of capital assets	–	–	–	107,345
Other	233,296	–	233,296	327,922
Total revenues and gains	25,653,029	1,959,597	27,612,626	28,368,911
Net assets released from restrictions <i>(note 13)</i>	1,680,915	(1,680,915)	–	–
Total revenues, gains, and other support	27,333,944	278,682	27,612,626	28,368,911
<b>Expenses <i>(note 14)</i>:</b>				
Program services	23,600,217	–	23,600,217	25,090,210
Management and general	2,803,095	–	2,803,095	2,490,082
Fundraising	191,229	–	191,229	177,181
Total expenses	26,594,541	–	26,594,541	27,757,473
Increase in net assets	739,403	278,682	1,018,085	611,438
Net assets at beginning of year	7,478,029	1,030,883	8,508,912	7,897,474
Net assets at end of year	\$ 8,217,432	1,309,565	9,526,997	8,508,912

See accompanying notes to consolidated financial statements.

## IRCO

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	2020				2019
	Program services	Management and general	Fundraising	Total	
Salaries and related expenses:					
Salaries and wages	\$ 11,649,504	1,779,530	122,215	13,551,249	15,190,335
Employee benefits	2,070,785	284,586	11,017	2,366,388	2,095,835
Payroll taxes	1,160,758	169,329	12,212	1,342,299	1,521,852
Pension expense	332,848	68,612	3,597	405,057	353,627
Total salaries and related expenses	15,213,895	2,302,057	149,041	17,664,993	19,161,649
Participant assistance	3,115,614	—	—	3,115,614	2,050,789
Professional services	1,512,276	76,890	295	1,589,461	2,283,549
Subcontract expense	2,103,915	—	—	2,103,915	1,935,565
Occupancy	298,734	69,261	898	368,893	384,104
Telephone	144,618	19,169	732	164,519	161,412
Supplies	302,635	27,730	1,133	331,498	428,130
Staff development and meetings	104,488	20,221	288	124,997	235,826
Printing and postage	50,751	29,710	5,577	86,038	85,648
Travel	108,634	5,585	451	114,670	203,884
Equipment expense	292,537	92,459	4,234	389,230	279,735
Insurance	52,327	28,725	418	81,470	76,455
Interest and bank fees	23,949	10,348	777	35,074	33,150
Other	51,048	28,946	26,178	106,172	164,075
Total expenses before depreciation	23,375,421	2,711,101	190,022	26,276,544	27,483,971
Depreciation	224,796	91,994	1,207	317,997	273,502
Total expenses	\$ 23,600,217	2,803,095	191,229	26,594,541	27,757,473

See accompanying notes to consolidated financial statements.

IRCO

**CONSOLIDATED STATEMENT OF CASH FLOWS**

YEAR ENDED SEPTEMBER 30, 2020  
(WITH COMPARATIVE TOTALS FOR 2019)

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Cash received from governmental agencies, service recipients, contributors, and others	\$ 26,515,576	27,833,211
Cash paid to employees, suppliers, and others	(25,802,242)	(27,166,108)
Interest received	10,279	4,043
Interest paid	(27,083)	(33,150)
Net cash provided by operating activities	696,530	637,996
<b>Cash flows from investing activities:</b>		
Capital expenditures	(84,099)	(493,064)
Proceeds from sales of assets	–	588,292
Net cash provided by (used in) investing activities	(84,099)	95,228
<b>Cash flows from financing activities:</b>		
Payments of debt principal	(154,502)	(727,085)
Proceeds from contributions restricted for capital improvements	300,000	181,461
Proceeds from long-term debt	150,000	–
Net cash provided by (used in) financing activities	295,498	(545,624)
Net increase in cash and cash equivalents	907,929	187,600
Cash and cash equivalents at beginning of year	2,955,507	2,767,907
Cash and cash equivalents at end of year	\$ 3,863,436	2,955,507

See accompanying notes to consolidated financial statements.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

YEAR ENDED SEPTEMBER 30, 2020

**1. Organization**

Immigrant and Refugee Community Organization (“IRCO”) is a nonprofit organization established to promote the integration of refugees, immigrants, and the community at large into a self-sufficient, healthy, and inclusive multi-ethnic society.

**2. Summary of Significant Accounting Policies**

The significant accounting policies followed by IRCO are described below to enhance the usefulness of the financial statements to the reader.

**Basis of Accounting** – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

**Principles of Consolidation** – The accompanying financial statements include all accounts and activities of Immigrant and Refugee Community Organization and IRCO Works, LLC, a single-member limited liability company established in 2013, for which IRCO serves as the sole member. All significant intra-organizational investments, accounts, and transactions between these entities have been eliminated.

**Basis of Presentation** – Net assets, revenues, gains and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of IRCO 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-imposed stipulations. From time to time, IRCO’s Board of Directors may designate a portion of these net assets for particular purposes and objectives.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of IRCO and/or the passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. In the opinion of management, such differences, if any, would not be significant.

**Cash Equivalents** – For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less at date of issuance to be cash equivalents. Cash equivalents include accounts totaling \$131,858 that are held separately, as required by the grantor for Individual Development Accounts.

**Capital Assets and Depreciation** – Land, buildings, equipment, and vehicles are carried at cost and initially at fair value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which is generally 20 years for buildings and related improvements, 5 years for vehicles, and 3 to 5 years for furniture, equipment, and fixtures.

**Capitalized Interest** – Interest costs incurred on borrowed funds during a period of construction are capitalized as a cost of constructing the assets.

**Revenue Recognition** – With regard to revenues from grants and contracts, the organization evaluates whether each transfer of assets is (1) an exchange (reciprocal) transaction in which a resource provider receives commensurate value in return for the assets transferred, or (2) a nonreciprocal transfer (a contribution or a grant), where no value is exchanged.

- *Exchange Transactions* – If the transfer of assets is determined to be an exchange transaction, the organization recognizes revenue when or as it satisfies the required performance obligations and transfers the promised good or service to a customer, and when the customer obtains control of that good or service.
- *Contributions and Grants* – If the transfer of assets is determined to be a contribution, the organization evaluates whether the contribu-

tion is conditional based upon whether the agreement includes both (1) a barrier that must be overcome to be entitled to the funds and (2) either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

- *Governmental Support* – Activities funded by governments are often carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use or proprietary benefit. Accordingly, if the primary beneficiary of the activity is the general public, rather than the government itself, the transaction is treated as nonreciprocal (i.e., a contribution).

Interpretation and translation fees include intra-organizational charges assessed to IRCO programs for the provision of interpretation and translation fees from the International Language Bank ("ILB") program. During the year ended September 30, 2020, intra-organizational charges recorded pursuant to this arrangement totaled \$41,764.

**Contributions** – Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the donor's commitment is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions and grants received with donor stipulations that limit the use of the donated assets are reported as net assets with donor restrictions.

Unconditional promises to give with payments due in future periods, are recorded as increases in net assets with donor restrictions at the estimated present value of future cash flows using credit adjusted discount rates which articulate to the collection period of the respective pledge. Such discount rates are not subsequently revised.

Contributions and grants receivable are reported net of an allowance for estimated uncollectible promises. Promises to give are written off when deemed uncollectible.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conditional contributions with donor-imposed restrictions are recorded as net assets without donor restrictions if those restrictions are satisfied in the same reporting period.

Contributions of capital assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the net assets without donor restrictions class. Contributions of cash or other assets restricted to the acquisition of capital assets with such donor stipulations are reported as net assets with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets, in accordance with donor intent.

**In-Kind Contributions** – A number of unpaid volunteers have made significant contributions of their time to develop and implement IRCO’s programs. Under generally accepted accounting principles, significant services received which create or enhance a non-financial asset or require specialized skills that IRCO would have purchased if not donated are recognized in the statement of activities.

In-kind contributions of land, buildings, equipment, and other materials are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of IRCO’s activities.

During the year ended September 30, 2020, no contributed materials or equipment were recorded. However, the organization reported \$55,668 in in-kind contributions associated with the free use of program facilities.

**Concentrations of Credit Risk** – The organization’s financial instruments consist primarily of cash equivalents and money market funds, which may subject the organization to concentrations of credit risk as, from time to time, for example, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation (“FDIC”).

All checking and savings accounts, money market deposit accounts, and certificates of deposit are insured by the FDIC for up to \$250,000 for each depositor, for each insured bank, for each account ownership category. As of September 30, 2020, IRCO held \$4,661,077 in cash balances in excess of the FDIC coverage limits.

Certain receivables may also, from time to time, subject the organization to concentrations of credit risk. To minimize its exposure to significant losses from customer or donor insolvencies, the organization’s management evaluates the financial condition of its customers and donors, and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics. When necessary, receivables are reported net of an allowance for uncollectible accounts.

**Advertising and Marketing Expenses** – Advertising and marketing costs are charged to expense as they are incurred.

**Income Taxes** – IRCO is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. IRCO derives its public charity status as an organization described in Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Internal Revenue Code.

IRCO Works, LLC, as a single-member, limited liability company controlled by IRCO, is considered a disregarded entity for tax purposes.

**Subsequent Events** – Subsequent events have been evaluated by management through January 26, 2021, which is the date the financial statements were available to be issued.

**Summarized Financial Information for 2019** – The accompanying financial information as of and for the year ended September 30, 2019, is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

**Other Significant Accounting Policies** – Other significant accounting policies are set forth in the financial statements and the following notes.

### 3. Program Services

During the year ended September 30, 2020, IRCO incurred program service expenses in the following major categories:

**Adult Employment and Youth Workforce** – Assists adult refugees, immigrants, and public assistance recipients to become self-sufficient through intensive job search assistance, unsubsidized job placement and retention, career development, and support services, as well as JOBS+ and work experience. Services also help youth enter the workforce through training, work experience and unsubsidized job placements.

**Children's Services** – Culturally-specific and developmentally-appropriate parenting support and education for families with children who are up to five years old.

**Youth and Family Services** – Offers culturally-specific housing and family stabilization as well as domestic violence services to keep families and communities strong. Academic programs help refugee and immigrant youth excel in school through tutoring, social support, mentoring, skill-building, family engagement, and SUN community schools.

**Senior Services** – Provides case management, information and assistance, and congregate and home-delivered meals for elderly and disabled persons that help them maintain their independence as long as possible. Naturalization education and support help refugee elders become citizens.

**Health and Community Development** – Culturally and linguistically-specific health education, system navigation, advocacy, and outreach. Civic engagement and leadership training assists immigrants and refugees to advocate for their community needs with policy makers. Legal services assist immigrants and refugees on the path to citizenship and with disabilities.

**Economic Development** – Technical assistance services assist refugee and immigrant micro-enterprises and small businesses to develop and thrive. Individual Development Accounts help refugees and immigrants meet savings goals for education and training.

**International Language Bank** – Delivers interpretation and translation services tailored specifically to each organization and each project on a fee-for-service basis in over 70 languages.

**Training Services** – Provides pre-employment, targeted vocational skills, health care worker career training, and nurse recertification assistance to prepare clients for jobs and careers.

#### 4. Recently-Issued Accounting Standards

In May of 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, *Revenue from Contracts with Customers*, to clarify the principles for recognizing revenue and to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods and services. ASU 2014-09 will be effective for IRCO’s annual reporting period ending September 30, 2021. IRCO has not determined the impact of ASU No. 2014-09 at this time.

In February of 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for IRCO’s annual reporting period ending September 30, 2023. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. IRCO is evaluating the impact of the pending adoption of the new standard on its financial statements.

#### 5. Contributions Receivable

Contributions and grants receivable are summarized as follows at September 30, 2020:

<i>Unconditional promises</i>	
<i>expected to be collected in:</i>	
Less than one year	\$ 596,389
One year to five years	50,000
	<hr/>
	\$ 646,389

#### *Conditional Grants*

In addition, as of September 30, 2020, IRCO held various conditional grants totaling \$1,366,311, which were conditional upon the organization incurring allowable expenses or reaching certain matching requirements. These grant revenues have not been included in the accompanying financial statements because, as of September 30, 2020, IRCO had not fully satisfied the associated conditions.

#### 6. Government Grants and Contracts Receivable

Government grants and contracts receivable at September 30, 2020 are summarized as follows:

Multnomah County	\$ 863,524
City of Portland	641,278
Worksystems, Inc.	510,114
Oregon Department of	
Human Services	426,209
Home Forward	327,328
Oregon Department of Education	325,824
Self Enhancement, Inc.	161,690
Oregon Department of Justice	155,093
Washington County	147,099
U.S. Department of	
Human Services	83,775
Other	228,293
	<hr/>
	\$ 3,870,227

## 7. Accounts Receivable

Accounts receivable represent amounts receivable for services provided through the International Language Bank and other programs, and are summarized as follows at September 30, 2020:

Translation and interpretation services	\$	563,397
Other		3,975
		<hr/>
		567,372
Less allowance for doubtful accounts		(107,438)
	\$	<hr/>
		459,934

## 8. Property and Equipment

A summary of property and equipment at September 30, 2020 is as follows:

Land	\$	837,091
Buildings and improvements		5,488,972
Equipment		233,775
Vehicles		80,757
		<hr/>
		6,640,595
Less accumulated depreciation		(3,766,156)
	\$	<hr/>
		2,874,439

## 9. Line of Credit

At September 30, 2020, IRCO had an unsecured line of credit in the amount of \$500,000, repayable with interest at a LIBOR index rate, as announced by the lender, plus 3.0%. No balance was outstanding at September 30, 2020 under this agreement.

## 10. Long-Term Debt

In June of 2020, IRCO obtained an Economic Injury Disaster Loan from the U.S. Smaller Business Administration (“SBA”) in the amount of \$150,000, secured by property. Monthly payments of interest and principal totaling \$641 are due beginning June of 2021 through June of 2051. Interest is fixed at an annual rate of 2.75%. The balance on the note is \$150,000 at September 30, 2020.

In March of 2012, IRCO refinanced a note issued in 2001 for the renovation of its administrative building in the amount of \$1,125,000, secured by the property. Monthly payments of interest and principal totaling \$11,426 are due through April of 2022. Interest is fixed at an annual rate of 4.00%. The balance on the note is \$198,865 at September 30, 2020. Terms of the loan agreement include requirements defined by the lender to maintain a current ratio of 1.20 to 1.00, a debt service ratio of not less than 1.05 to 1.00, and a tangible net worth ratio of not less than 2.00 to 1.00, as of the end of each fiscal year. At September 30, 2020, IRCO was in compliance with these requirements.

In April of 2011, IRCO entered into a loan agreement to purchase the Pacific Islander and Asian Family Center building for \$600,000. The loan is secured by the property. Monthly payments of interest and principal totaling \$3,905 are due through April of 2021, with a balloon payment of the remaining principal balance due in April of 2021. The interest rate is subject to change from time to time, based on changes in an independent index established by the lender, with an initial rate of 4.75%. The balance outstanding at September 30, 2020 is \$378,926. Terms of the loan agreement include requirements defined by the lender to maintain a current ratio of 1.24 to 1.00 and a debt service ratio of not less than 1.25 to 1.00, as of the end of each fiscal year. At September 30, 2020, IRCO was in compliance with these requirements.

Maturities of loan principals for the years subsequent to September 30, 2020 are as follows:

<i>Years ending September 30,</i>	
2021	\$ 510,046
2022	68,434
2023	3,574
2024	3,664
2025	3,779
Thereafter	138,294
	\$ 727,791

Total interest expense for the above notes totaled \$27,083 for the year ended September 30, 2020.

### 11. Net Assets with Donor Restrictions

The following summarizes IRCO's net assets with donor-imposed restrictions as of September 30, 2020:

Oregon Individual Development	
Accounts Initiative	\$ 297,509
Immigrant Legal Services	183,874
Preschool program	176,703
Africa House Renovation	83,123
Pathway for Wellbeing	76,647
Other programs	491,709
	Total net assets with
donor restrictions	\$ 1,309,565

### 12. Government Grants and Contracts

During the year ended September 30, 2020, the organization received fees for services provided under grants or contracts with the following:

Multnomah County	\$ 7,047,376
Oregon Department of	
Human Services	3,658,856
Worksystems, Inc.	2,574,791
City of Portland	1,943,644
Home Forward	1,283,747
Oregon Department of Education	1,054,236
Self Enhancement, Inc.	785,605
U.S. Department of Health and	
Human Services	574,326
Washington County	486,233
Oregon Department of Justice	363,785
U.S. Department of Education	244,856
Portland Public Schools	220,738
Clackamas Workforce Partnership	206,980
Oregon Health Authority	182,075
Oregon Community Health Workers	
Association	167,612
David Douglas School District	129,224
Other	509,684
	\$ 21,433,768

During the year ended September 30, 2020, the organization received 32.9% of its total government grant and contract revenues (25.5% of total revenues) from various departments and agencies of Multnomah County. The organization received 24.5% of its total governmental revenues (19.0% of total revenues) from various departments and agencies of the State of Oregon.

### 13. Net Assets Released from Restrictions

During the year ended September 30, 2020, the organization incurred \$1,680,915 in expenses that satisfied restricted purposes specified by donors, or satisfied the restrictions by the occurrence of other events, as follows:

Operating purposes	\$ 1,464,038
Capital purposes	216,877
	\$ 1,680,915

#### 14. Expenses

The costs of providing the various programs and activities of IRCO have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the organization and, therefore, require allocation on a reasonable basis that is consistently applied. Those expenses include depreciation, and other facility-related costs, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, telephone, equipment expenses, insurance, and other expenses, which are allocated on the basis of estimates of time and effort or full-time-equivalent.

#### 15. Operating Lease Commitments

IRCO leases certain program facilities, office equipment, and software subscription services under noncancelable operating leases that expire in various years through 2025. At September 30, 2020, the approximate future minimum lease commitments for these leases are as follows:

<i>Years ending September 30,</i>	
2021	\$ 132,806
2022	103,197
2023	23,644
2024	2,412
2025	1,608
	<hr/>
	\$ 263,667

Rent expense for these leases totaled \$194,714 for the year ended September 30, 2020.

#### 16. Commitments and Contingencies

Amounts received or receivable under IRCO's contracts with the State of Oregon, Multnomah County, and other governmental agencies are subject to audit and adjustment by these agencies. Any expenditures or claims disallowed as a result of such audits would become a liability of the organization's operating fund. In the opinion of IRCO's management, any adjustments that might result from such audits would not be material to the organization's overall financial statements.

#### 17. Pension Plan

IRCO maintains a defined contribution profit-sharing plan for its eligible employees, as described in Section 401(k) of the Internal Revenue Code. Regular employees who work more than 20 hours per week are eligible to participate in the plan. During the year ended September 30, 2020, employee contributions were matched up to 5.5% of each participant's wages in a combination of a safe harbor contribution and a discretionary match. Discretionary contributions vest following a four-year schedule and safe harbor contributions vest immediately. Pension plan expense for the year ended September 30, 2020 totaled \$405,057.

#### 18. Reclassification of 2019 Comparative Totals

Certain 2019 amounts presented herein have been reclassified to conform to the 2020 presentation.



## 19. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure within one year of the consolidated statement of financial position date comprise the following at September 30, 2020:

<i>Total financial assets available:</i>	
Cash and cash equivalents	\$ 3,863,436
Contributions receivable	636,389
Government grants and contracts receivable	3,870,227
Accounts receivable	459,934
	<hr/>
	8,829,986
	<hr/>
<i>Less financial assets not available within the year ending September 30, 2021:</i>	
Long term contributions receivable	(50,000)
Financial assets restricted by donors for capital purposes	(83,123)
	<hr/>
	(133,123)
	<hr/>
	\$ 8,696,863
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As part of its liquidity management, IRCO has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. To help manage unanticipated liquidity needs, the organization has committed lines of credit upon which it could draw (see note 9).

## 20. Statement of Cash Flow Reconciliation

The following presents a reconciliation of the increase in net assets (as reported on the statement of activities) to net cash provided by operating activities (as reported on the statement of cash flows):

Increase in net assets	\$ 1,018,085
	<hr/>
<i>Adjustments to reconcile increase in net assets to net cash provided by operating activities:</i>	
Depreciation	317,997
Proceeds from contributions restricted for capital improvements	(300,000)
Provision for the allowance for doubtful accounts	10,685
<i>Net changes in:</i>	
Contributions receivable	(193,677)
Government grants and contracts receivable	(766,332)
Accounts receivable	173,117
Prepaid expenses	(25,020)
Accounts payable and accrued expenses	26,705
Accrued payroll and related expenses	337,417
Deferred revenue and other liabilities	97,553
	<hr/>
Total adjustments	(321,555)
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Net cash provided by operating activities	\$ 696,530
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## **21. Coronavirus Pandemic**

In December of 2019, an outbreak of a novel strain of coronavirus (COVID-19), originated in Wuhan, China, and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S., including Oregon, have declared a public health state of emergency, ordering the public to stay at home, closing specified businesses, and requiring social distancing measures for most public and private facilities.

It is anticipated that the effects of these events will continue for some time, including continuing disruptions to, or restrictions on, our employees' ability to work and on the ability of our patrons, customers and other constituents to fully participate in our programs and continue their current level of financial support to the organization. Future financial impacts on the organization are not readily determinable. Possible effects could include reduced operations and fundraising.



## GOVERNING BOARD AND MANAGEMENT

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### Board Members

Gerry Uba, *President*

Zaur Akhriev, *Vice President*

Trinh Tran, *Immediate Past President*

Mardine Mao, *Secretary*

Tenzin Gonta, *Treasurer*

Bruce Bliatout

Michael Burton

Ben Leung

Matthew McClellan

Vadim Mozyrsky

Connie Nguyen-Truong

Aura Rad

Danita Huynh  
*Children Services Manager*

Jihane Nami  
*Community Works & Greater Middle East Center  
Manager*

Tina Do  
*Economic Development Manager*

Marcy Trueb  
*Refugee Immigrant Family Strengthening Manager*

Vanloeun Ping  
*International Language Bank Manager*

Nelli Salvador  
*Senior Services & Slavic and Eastern European  
Center Manager*

Ellen Parker  
*Youth Academic School-Linked Services Manager*

Lyn Tan  
*Youth Academic School-Based Services Manager*

Leisl Wehmueller  
*Workforce Development Manager*

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IRCO WORKS, LLC

### Board of Managers

Tom Badrick

Alhassan Fofanah

Gordon Jones

Arlene Kimura

### Management

Jeff MacDonald  
LLC Director

### Executive Management

Lee Po Cha, MBA  
*Executive Director*

### Senior Management

Jeff MacDonald  
*Associate Director of Program Administration*

Mei Lee, CPA  
*Fiscal Director*

Mark Kajitani  
*Director of Human Resources*

Jenny Bremner  
*Director of Development & Communications*

Djimet Dogo  
*Associate Director of Community Relations & Director of Africa House*

Coi Vu  
*Director of Pacific Islander and Asian Family Center  
& Community Services Manager*

**INQUIRIES AND OTHER INFORMATION**

**IRCO and IRCO Works, LLC  
administrative offices:**

IRCO  
10301 N.E. Glisan Street  
Portland, Oregon 97220

(503) 234-1541  
(503) 234-1259 Fax

**Web:**

www.irco.org

**Additional facilities:**

Pacific Islander and Asian  
Family Center  
8040 N.E. Sandy Boulevard  
Portland, Oregon 97213

(503) 235-9396  
(503) 235-0341 Fax

Africa House  
709 N.E. 102nd Avenue  
Portland, Oregon 97220

(503) 802-0082  
(503) 253-5750 Fax

**Program co-locations:**

Cherry Blossom Senior Center  
704 SE 106th Avenue  
Portland, OR 97216

Earl Boyles SUN Site  
Earl Boyles Elementary School  
10822 S.E. Bush Street  
Portland, Oregon 97266

George SUN Site  
George Middle School  
10000 North Burr Avenue  
Portland, Oregon 97203

Gilbert Heights SUN Site  
Gilbert Heights Elem. School  
12839 S.E. Holgate Boulevard  
Portland, Oregon 97236

Gilbert Park SUN Site  
Gilbert Park Elementary School  
13132 S.E. Ramona Street

Portland, Oregon 97236  
Harrison Park SUN Site  
Harrison Park School  
2225 S.E. 87th Avenue  
Portland, Oregon 97216

Jason Lee SUN Site  
Jason Lee Elementary School  
2222 N.E. 92nd Avenue  
Portland, Oregon 97220

Lent SUN Site  
Lent K-8 School  
5105 S.E. 97th Avenue  
Portland, Oregon 97266

Lincoln Park SUN Site  
Lincoln Park Elementary School  
13200 S.E. Lincoln Street  
Portland, Oregon 97233

Madison SUN Site  
Madison High School  
2735 N.E. 82nd Avenue  
Portland, Oregon 97220

Menlo Park SUN Site  
Menlo Park Elementary School  
12900 N.E. Glisan Street  
Portland, Oregon 97230

Mid-County District Senior Center  
10615 S.E. Cherry Blossom  
Portland, Oregon 97216

Mill Park Sun Site  
Mill Park Elementary School  
1900 S.E. 117th Avenue  
Portland, Oregon 97216

Parkrose Middle School SUN Site  
Parkrose Middle School  
11800 N.E. Shaver Street  
Portland, Oregon 97220

Powell Butte SUN Site  
Powell Butte Elementary  
3615 S.E. 174th Avenue  
Portland, Oregon 97236

Rose City Park SUN Site  
Rose City Park Elementary  
2334 N.E. 57th Avenue

Portland, Oregon 97213  
Russell SUN Site  
Russell Elementary School  
2700 N.E. 127th Avenue  
Portland, Oregon 97230

Sacramento SUN Site  
Sacramento Elementary School  
11400 N.E. Sacramento Street  
Portland, Oregon 97216

Shaver SUN Site  
Shaver Elementary School  
3701 N.E. 131st Place  
Portland, Oregon 97230

Ventura Park SUN Site  
Ventura Park Elementary School  
145 S.E.117th Avenue  
Portland, Oregon 97216

Vestal SUN Site  
Vestal Elementary School  
161 N.E. 82nd Avenue  
Portland, Oregon 97220

Walt Morey SUN Site  
Walt Morey Middle School  
2801 S.W. Lucas Avenue  
Troutdale, Oregon 97060

Clackamas Works!  
Oregon Employment Department  
506 High Street  
Oregon City, Oregon 97045

Community Works Project  
Department of Human Services  
11826 N.E. Glisan Street  
Portland, Oregon 97220

Community Works Project Site #2  
Department of Human Services  
8129 S.E. Malden Street  
Portland, Oregon 97206

Washington County Youth  
Workforce Development Services  
Portland Community College  
Willow Creek Center  
241 S.W. Edgeway Drive  
Beaverton, Oregon 97006

