

**FINANCIAL STATEMENTS**

**NORWEGIAN REFUGEE COUNCIL USA**

**FOR THE YEAR ENDED DECEMBER 31, 2023  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2022**

# NORWEGIAN REFUGEE COUNCIL USA

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## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Norwegian Refugee Council USA  
Washington, D.C.

#### Opinion

We have audited the accompanying financial statements of the Norwegian Refugee Council USA (NRC USA), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and change in net assets, 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 NRC USA as of December 31, 2023, and the change 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 NRC USA 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 NRC USA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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## **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, including omissions, 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 NRC USA'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 NRC USA'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.

## **Report on Summarized Comparative Information**

We have previously audited NRC USA's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



September 12, 2024

**NORWEGIAN REFUGEE COUNCIL USA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,979,170	\$ 1,103,968
Due from NRC Oslo	1,193,614	4,567,623
Contributions receivable	100	-
Prepaid expenses	<u>25,177</u>	<u>17,055</u>
Total current assets	<u>5,198,061</u>	<u>5,688,646</u>
<b>OTHER ASSETS</b>		
Security deposits	18,037	6,086
Right-of-use asset, net	<u>640,225</u>	<u>62,743</u>
Total other assets	<u>658,262</u>	<u>68,829</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,856,323</u></b>	<b><u>\$ 5,757,475</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 15,568	\$ 1,288
Operating lease liability	<u>91,366</u>	<u>63,179</u>
Total current liabilities	<u>106,934</u>	<u>64,467</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liability, net of current portion	<u>584,202</u>	<u>-</u>
Total liabilities	<u>691,136</u>	<u>64,467</u>
<b>NET ASSETS</b>		
With donor restrictions	<u>5,165,187</u>	<u>5,693,008</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,856,323</u></b>	<b><u>\$ 5,757,475</u></b>

## NORWEGIAN REFUGEE COUNCIL USA

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE</b>				
Contributions and grants:				
Norwegian Refugee Council	\$ 1,767,270	\$ -	\$ 1,767,270	\$ 856,203
Individuals and foundations	115,150	4,033,869	4,149,019	7,423,809
U.S. Government	580,138	-	580,138	506,650
Contributed nonfinancial assets	23,654	-	23,654	25,000
Net assets released from donor restrictions	<u>4,561,690</u>	<u>(4,561,690)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>7,047,902</u>	<u>(527,821)</u>	<u>6,520,081</u>	<u>8,811,662</u>
<b>EXPENSES</b>				
Program Services:				
Advocacy	162,771	-	162,771	110,801
Access Negotiation	800,290	-	800,290	450,071
Program Support and Compliance	367,366	-	367,366	270,255
Humanitarian Access in Hard to Reach Areas	15,226	-	15,226	27,180
COVID-19 Relief	22,464	-	22,464	44,358
Technology and Innovation	206,073	-	206,073	419,958
Brand Awareness	-	-	-	26,527
Secondment	-	-	-	5,999
Digital and Education Youth	-	-	-	25,000
Country Based Humanitarian	1,971,217	-	1,971,217	1,690,567
Youth Livelihood and Education	2,346,710	-	2,346,710	551,814
Other Projects	<u>242,643</u>	<u>-</u>	<u>242,643</u>	<u>187,567</u>
Total program services	<u>6,134,760</u>	<u>-</u>	<u>6,134,760</u>	<u>3,810,097</u>
Supporting Services:				
Board and Committees	20,095	-	20,095	17,660
Fundraising	145,451	-	145,451	29,261
General and Administrative	<u>747,596</u>	<u>-</u>	<u>747,596</u>	<u>680,030</u>
Total supporting services	<u>913,142</u>	<u>-</u>	<u>913,142</u>	<u>726,951</u>
Total expenses	<u>7,047,902</u>	<u>-</u>	<u>7,047,902</u>	<u>4,537,048</u>
Change in net assets	-	(527,821)	(527,821)	4,274,614
Net assets at beginning of year	<u>-</u>	<u>5,693,008</u>	<u>5,693,008</u>	<u>1,418,394</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ -</u></b>	<b><u>\$ 5,165,187</u></b>	<b><u>\$ 5,165,187</u></b>	<b><u>\$ 5,693,008</u></b>

See accompanying notes to financial statements.

**NORWEGIAN REFUGEE COUNCIL USA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<b>2023</b>									
	<b>Program Services</b>									
	<b>Advocacy</b>	<b>Access Negotiation</b>	<b>Program Support and Compliance</b>	<b>Humanitarian Access in Hard to Reach Areas</b>	<b>COVID-19 Relief</b>	<b>Technology and Innovation</b>	<b>Country Based Humanitarian</b>	<b>Youth Livelihood and Education</b>	<b>Other Projects</b>	<b>Total Program Services</b>
Salaries, payroll taxes and benefits	\$ 154,320	\$ 536,281	\$ 357,307	\$ 2,396	\$ -	\$ -	\$ -	\$ -	\$ 217,046	\$ 1,267,350
Professional fees	-	83,962	9,000	-	-	-	-	-	-	92,962
Occupancy	-	55,742	-	-	-	-	-	-	24,230	79,972
Insurance	-	-	-	-	-	-	-	-	-	-
Telephone and internet	-	5,888	-	-	-	-	-	-	787	6,675
Travel	7,451	65,367	646	607	-	-	-	-	-	74,071
Grants to NRC Oslo	-	-	-	12,223	22,464	206,073	1,971,217	2,346,710	-	4,558,687
Advertising and promotion	-	-	-	-	-	-	-	-	-	-
Events and meetings	-	48,806	413	-	-	-	-	-	380	49,599
Furniture and equipment	-	1,326	-	-	-	-	-	-	-	1,326
Other general and administrative expenses	1,000	2,508	-	-	-	-	-	-	200	3,708
Bank and merchant fees	-	410	-	-	-	-	-	-	-	410
<b>TOTAL</b>	<b>\$ 162,771</b>	<b>\$ 800,290</b>	<b>\$ 367,366</b>	<b>\$ 15,226</b>	<b>\$ 22,464</b>	<b>\$ 206,073</b>	<b>\$ 1,971,217</b>	<b>\$ 2,346,710</b>	<b>\$ 242,643</b>	<b>\$ 6,134,760</b>

See accompanying notes to financial statements.

**NORWEGIAN REFUGEE COUNCIL USA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023 (Continued)				2022	
	Supporting Services					
	Board and Committees	Fundraising	General and Administrative	Total Supporting Services	Total Expenses	Total Expenses
Salaries, payroll taxes and benefits	\$ 17,097	\$ 137,545	\$ 465,008	\$ 619,650	\$ 1,887,000	\$ 1,417,574
Professional fees	-	-	92,145	92,145	185,107	191,289
Occupancy	-	-	93,931	93,931	173,903	94,542
Insurance	-	-	8,709	8,709	8,709	7,685
Telephone and internet	-	152	8,129	8,281	14,956	12,782
Travel	14	5,895	37,581	43,490	117,561	31,813
Grants to NRC Oslo	-	-	-	-	4,558,687	2,716,697
Advertising and promotion	-	750	1,409	2,159	2,159	20,715
Events and meetings	2,931	104	14,283	17,318	66,917	7,357
Furniture and equipment	-	-	17,057	17,057	18,383	17,973
Other general and administrative expenses	53	13	9,636	9,702	13,410	14,197
Bank and merchant fees	-	992	(292)	700	1,110	4,424
<b>TOTAL</b>	<b>\$ 20,095</b>	<b>\$ 145,451</b>	<b>\$ 747,596</b>	<b>\$ 913,142</b>	<b>\$ 7,047,902</b>	<b>\$ 4,537,048</b>

See accompanying notes to financial statements.



## NORWEGIAN REFUGEE COUNCIL USA

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (527,821)	\$ 4,274,614
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of right-of-use asset	90,177	82,656
Decrease (increase) in:		
Due from NRC Oslo	3,374,009	(3,986,120)
Contributions receivable	(100)	-
Prepaid expenses	(8,122)	(4,476)
Security deposits	(11,951)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	14,280	(10,519)
Operating lease liability	<u>(55,270)</u>	<u>(82,220)</u>
Net cash provided by operating activities	<u>2,875,202</u>	<u>273,935</u>
Net increase in cash and cash equivalents	2,875,202	273,935
Cash and cash equivalents at beginning of year	<u>1,103,968</u>	<u>830,033</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 3,979,170</u></b>	<b><u>\$ 1,103,968</u></b>
<b>SCHEDULE OF NONCASH TRANSACTIONS:</b>		
<b>Right-of-Use Asset</b>	<b><u>\$ 667,659</u></b>	<b><u>\$ 145,399</u></b>
<b>Operating Lease Liability for Right-of-Use Asset</b>	<b><u>\$ 667,659</u></b>	<b><u>\$ 145,399</u></b>

# NORWEGIAN REFUGEE COUNCIL USA

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organization -

The Norwegian Refugee Council USA (NRC USA) is a non-profit organization, which was incorporated under the laws of the District of Columbia during October, 2015 and commenced operations during 2016. NRC USA was established with two primary objectives; raising money for the Norwegian Refugee Council's (Note 2) overseas programs that meet the needs of conflict-affected refugees and internally displaced people, and providing humanitarian policy advice to the administration, congress and peer non-governmental organizations. NRC USA is also a resource to universities, think tanks, and the general public on refugee issues and seeks financial support and partnerships with U.S. based individuals, foundations and corporations.

NRC USA receives funds for the delivery of humanitarian assistance. This assistance includes access to water, the provision of food, livelihood and basic relief items, education, legal aid, and information on access to services and shelter. These specific engagements by the Norwegian Refugee Council seek to save lives, promote dignity, and support access to better living conditions and livelihood opportunities, for refugees and internally displaced persons. Funds are received from a variety of foundations, corporate and individual donors, as well as the U.S. Government.

NRC USA's advocacy work seeks to ensure that U.S. policies make aid available to and protect vulnerable populations. NRC USA's advocacy program amplifies the voices of refugees and internally displaced to safeguard their futures during and after conflict and war. The NRC USA office also leads the Norwegian Refugee Council's global operations to improve humanitarian access to vulnerable populations in hard-to-reach environments. NRC USA's access team develops policies and provides trainings, workshops and e-resources for frontline aid workers to negotiate access and provide life-saving assistance in some of the world's most operationally challenging humanitarian areas.

#### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions." Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

## NORWEGIAN REFUGEE COUNCIL USA

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Basis of presentation (continued) -

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with NRC USA's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

##### Cash and cash equivalents -

NRC USA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, NRC USA maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Contributions receivable -

Contributions receivable include unconditional promises to give that are expected to be collected in future years. Contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows.

##### Income taxes -

NRC USA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. NRC USA is not a private foundation.

##### Revenue recognition -

##### Contributions and grants -

NRC USA receives contributions and grants, including federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. NRC USA performs an analysis of the individual contribution agreements to determine if the funding streams follow the contribution rules or if they should be recorded as exchange transactions depending upon whether the transaction is deemed nonreciprocal or reciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Such contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional.

**NORWEGIAN REFUGEE COUNCIL USA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Revenue recognition (continued) -

Contributions and grants (continued) -

Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, NRC USA had no refundable advances as of December 31, 2023.

In addition, NRC USA may obtain funding source agreements related to conditional contributions, such as federal awards from the U.S. Government, which will be received in future years. However, NRC USA had no conditional contributions as of December 31, 2023.

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of contributed legal services.

Contributed nonfinancial assets are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by NRC USA.

Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributable to a specific functional area of NRC USA are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

**2. AFFILIATION WITH NORWEGIAN REFUGEE COUNCIL (CONCENTRATION OF REVENUE)**

As discussed in Note 1, NRC USA is affiliated with the Norwegian Refugee Council (NRC), an international non-governmental organization based in Oslo, Norway. NRC USA is affiliated with NRC through a shared programmatic vision and mission. Funding received by NRC USA for international humanitarian programs is granted to NRC by NRC USA as NRC is the implementing partner for such humanitarian programs.

During the fiscal year ended December 31, 2023, NRC USA granted NRC \$4,558,687, and received payments from NRC totaling approximately \$1,130,000. Also during the fiscal year ended December 31, 2023, NRC made contributions to NRC USA totaling \$1,767,270. As of December 31, 2023, the net amount due from NRC to NRC USA totaled \$1,193,614. This balance represents an excess of payments made to NRC over program expenses incurred by NRC.

**NORWEGIAN REFUGEE COUNCIL USA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2023:

Humanitarian Access in Hard to Reach Areas	\$ 340,739
Technology and Innovation	766,212
Country Based Humanitarian	495,160
Youth Livelihood and Education	<u>3,563,076</u>

**TOTAL NET ASSETS WITH DONOR RESTRICTIONS** **\$ 5,165,187**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Humanitarian Access in Hard to Reach Areas	\$ 22,464
Technology and Innovation	206,073
Humanitarian Access in Hard to Reach Areas	(9,774)
Country Based Humanitarian	1,996,217
Youth Livelihood and Education	<u>2,346,710</u>

**TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS** **\$ 4,561,690**

**4. LIQUIDITY AND AVAILABILITY**

The following reflects NRC USA's financial assets as of the date of the Statement of Financial Position, reduced by amounts not available for general use within one year from the date of the Statement of Financial Position because of contractual or donor imposed restrictions or internal designations. Amounts not available will generally include amounts received with donor restrictions, grants receivable not expected to be collected within one year from the date of the Statement of Financial Position, and amounts designated for reserves by the Board of Directors.

An analysis of NRC USA's financial assets available to meet cash needs for general expenditures within one year as of December 31, 2023 is as follows:

Cash and cash equivalents	\$ 3,979,170
Due from NRC Oslo	1,193,614
Contributions receivable	<u>100</u>
Subtotal financial assets	5,172,884
Less: Donor restricted funds for specific purposes	<u>(5,165,187)</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR  
GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 7,697**

On occasion, there may be a deficiency of financial assets available to meet cash needs for general expenditures within on year due to the timing of when certain funds are received from donors. Pursuant to an agreement between NRC USA and the Norwegian Refugee Council (NRC), NRC has agreed to help fund the 2024 budgeted expenses of NRC USA with the exception of the programs implemented by NRC USA.

**5. LEASE COMMITMENTS**

NRC USA leased office space in Washington, D.C. under an agreement that originated in 2017 and ended in December 2023. Base rent was \$73,035 per year, plus a proportionate share of expenses, increasing by a factor of 4% per year.

**NORWEGIAN REFUGEE COUNCIL USA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**5. LEASE COMMITMENTS (Continued)**

On August 22, 2023, NRC USA entered into a new office lease agreement for a period of five years and five months that commenced on November 1, 2023 and terminates on March 31, 2029. Base rent is \$11,950 per month, plus a proportionate share of expenses, increasing by a factor of 4% per year. NRC USA received rent abatement for seven months of the lease agreement.

NRC USA follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842 for leases. NRC USA has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. NRC USA has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842. NRC USA calculated the present value of their lease liability for the office lease agreement that commenced on November 1, 2023 using a discount rate of 4.72%.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of December 31, 2023:

<u>Year Ending December 31,</u>	
	\$ 108,511
2024	138,186
2025	144,191
2026	162,388
2027	168,883
2028	<u>43,618</u>
Thereafter	765,777
Less: Imputed interest	<u>(90,209)</u>
	675,568
Less: Current portion	<u>(91,366)</u>
<b>LONG-TERM PORTION</b>	<b><u>\$ 584,202</u></b>

Lease expense incurred under the aforementioned lease was \$119,531 and is included in occupancy expense in the accompanying Statement of Functional Expenses.

**6. CONTRIBUTED NONFINANCIAL ASSETS**

During the year ended December 31, 2023, NRC USA was the beneficiary of donated legal services which allowed NRC USA to provide greater resources toward various programs. No donor-imposed restrictions were associated with the contributed nonfinancial assets, which are recorded at their estimated fair market value as of the date of the gift, as determined by the service providers. In addition, none of the donated goods were monetized through sale. The contributed nonfinancial assets consisted of the following for the year ended December 31, 2023:

<b>Donated Legal Services</b>	<b><u>\$ 23,654</u></b>
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The following program and supporting services have benefited from these donated services:

Program Support and Compliance	\$ 9,000
General and Administrative	<u>14,654</u>
<b>TOTAL</b>	<b><u>\$ 23,654</u></b>

**NORWEGIAN REFUGEE COUNCIL USA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**7. RETIREMENT PLAN**

NRC USA provides retirement benefits to all employees through a defined contribution plan. Generally, all non-union employees are eligible to participate in the Plan as of their date of hire. NRC USA provides a 100% match of each eligible employee's contribution up to the first three percent (3%) of compensation and 50% of the next two percent (2%) of compensation. All contributions to the Plan are immediately vested. Contributions to the Plan during the year ended December 31, 2023 totaled \$47,516.

**8. SUBSEQUENT EVENTS**

In preparing these financial statements, NRC USA has evaluated events and transactions for potential recognition or disclosure through September 12, 2024, the date the financial statements were issued.