

**FINANCIAL STATEMENTS**



**UNITED STATES ASSOCIATION  
FOR UNHCR**

**FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND 2017**

**UNITED STATES ASSOCIATION FOR UNHCR**

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# GELMAN, ROSENBERG

## & FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United States Association for UNHCR  
Washington, D.C.

We have audited the accompanying financial statements of the United States Association for UNHCR (USA for UNHCR), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of USA for UNHCR as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

May 3, 2019

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## UNITED STATES ASSOCIATION FOR UNHCR

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 17,496,209	\$ 19,968,211
Investments	24,752	19,361
Grants and contributions receivable	6,823,416	5,137,561
Prepaid expenses	399,462	934,182
Deposits	152,196	99,009
Furniture and equipment, net of accumulated depreciation and amortization of \$165,526 and \$196,580 at December 31, 2018 and 2017, respectively	248,458	63,214
Right-of-use assets, net of amortization of \$255,339	<u>6,178,558</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 31,323,051</u></b>	<b><u>\$ 26,221,538</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,919,780	\$ 4,696,960
Operating lease liability	6,367,671	-
Due to UNHCR	<u>4,381,576</u>	<u>5,459,781</u>
Total liabilities	<u>14,669,027</u>	<u>10,156,741</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	10,545,612	10,563,360
With Donor Restrictions	<u>6,108,412</u>	<u>5,501,437</u>
Total net assets	<u>16,654,024</u>	<u>16,064,797</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 31,323,051</u></b>	<b><u>\$ 26,221,538</u></b>

**UNITED STATES ASSOCIATION FOR UNHCR**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>			
Grants and contributions	\$ 28,389,892	\$ 16,052,556	\$ 44,442,448
Contributions from UNHCR	12,018,001	-	12,018,001
In-kind contributions	5,900,641	-	5,900,641
Interest and investment income	105,031	-	105,031
Net assets released from donor restrictions - satisfaction of donor restrictions	<u>15,445,581</u>	<u>(15,445,581)</u>	<u>-</u>
Total revenue	<u>61,859,146</u>	<u>606,975</u>	<u>62,466,121</u>
<b>EXPENSES</b>			
Program Services:			
Refugee Programs and Awareness Activities	<u>40,587,563</u>	<u>-</u>	<u>40,587,563</u>
Supporting Services:			
Management and General	2,147,878	-	2,147,878
Fundraising	<u>19,141,453</u>	<u>-</u>	<u>19,141,453</u>
Total supporting services	<u>21,289,331</u>	<u>-</u>	<u>21,289,331</u>
Total expenses	<u>61,876,894</u>	<u>-</u>	<u>61,876,894</u>
Changes in net assets	(17,748)	606,975	589,227
Net assets at beginning of year	<u>10,563,360</u>	<u>5,501,437</u>	<u>16,064,797</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 10,545,612</u></b>	<b><u>\$ 6,108,412</u></b>	<b><u>\$ 16,654,024</u></b>

<b>2017</b>		
<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
\$ 27,944,672	\$ 14,707,225	\$ 42,651,897
12,040,958	-	12,040,958
2,731,868	-	2,731,868
114,932	-	114,932
<u>13,551,294</u>	<u>(13,551,294)</u>	<u>-</u>
<u>56,383,724</u>	<u>1,155,931</u>	<u>57,539,655</u>
<u>36,428,675</u>	<u>-</u>	<u>36,428,675</u>
2,143,827	-	2,143,827
<u>19,219,322</u>	<u>-</u>	<u>19,219,322</u>
<u>21,363,149</u>	<u>-</u>	<u>21,363,149</u>
<u>57,791,824</u>	<u>-</u>	<u>57,791,824</u>
(1,408,100)	1,155,931	(252,169)
<u>11,971,460</u>	<u>4,345,506</u>	<u>16,316,966</u>
<b><u>\$ 10,563,360</u></b>	<b><u>\$ 5,501,437</u></b>	<b><u>\$ 16,064,797</u></b>

## UNITED STATES ASSOCIATION FOR UNHCR

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services	Supporting Services			Total Expenses
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 1,573,256	\$ 678,027	\$ 2,715,075	\$ 3,393,102	\$ 4,966,358
Payroll taxes and related benefits	301,595	140,815	561,055	701,870	1,003,465
Depreciation and amortization	15,850	7,654	24,052	31,706	47,556
Computers and equipment	16,286	148,974	64,105	213,079	229,365
Insurance	9,497	8,364	20,571	28,935	38,432
Dues and subscriptions	41,168	16,157	34,976	51,133	92,301
Postage and delivery	33,679	2,004	1,155,470	1,157,474	1,191,153
Printing, productions and publications	101,116	934	7,318,174	7,319,108	7,420,224
List rental and processing fees	5,928	14,563	584,572	599,135	605,063
Professional fees and consulting	956,852	593,432	1,133,618	1,727,050	2,683,902
Licenses and permits	330	46,412	20,606	67,018	67,348
Supplies and office expenses	40,790	66,075	18,600	84,675	125,465
Rent and utilities	409,703	124,019	204,580	328,599	738,302
Telephone and communications	12,719	46,145	1,054	47,199	59,918
Travel, meetings and special events	200,773	217,728	257,104	474,832	675,605
Bank and merchant service charges	73	15,896	469,814	485,710	485,783
Marketing, advertising and recruitment	8,587	15,079	56,435	71,514	80,101
Online, telemarketing and face-to-face	678	5,600	4,501,592	4,507,192	4,507,870
Grants to other organizations	700,000	-	-	-	700,000
In-kind professional services	108,042	-	-	-	108,042
Grants to UNHCR:					
Cash transfers	30,258,042	-	-	-	30,258,042
In-kind	5,792,599	-	-	-	5,792,599
<b>TOTAL</b>	<b>\$ 40,587,563</b>	<b>\$ 2,147,878</b>	<b>\$ 19,141,453</b>	<b>\$ 21,289,331</b>	<b>\$ 61,876,894</b>

See accompanying notes to financial statements.

## UNITED STATES ASSOCIATION FOR UNHCR

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	Supporting Services			Total Expenses
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 1,175,321	\$ 833,263	\$ 2,236,541	\$ 3,069,804	\$ 4,245,125
Payroll taxes and related benefits	244,280	131,125	504,267	635,392	879,672
Depreciation and amortization	2,778	5,361	15,342	20,703	23,481
Computers and equipment	17,598	76,719	21,766	98,485	116,083
Insurance	9,031	6,581	18,059	24,640	33,671
Dues and subscriptions	39,657	7,849	21,632	29,481	69,138
Postage and delivery	945	4,811	1,610,023	1,614,834	1,615,779
Printing, productions and publications	30,591	(2,018)	7,991,428	7,989,410	8,020,001
List rental and processing fees	4,243	16,367	1,129,825	1,146,192	1,150,435
Professional fees and consulting	681,155	669,344	689,750	1,359,094	2,040,249
Licenses and permits	-	22,133	-	22,133	22,133
Supplies and office expenses	35,251	50,230	8,343	58,573	93,824
Rent and utilities	241,391	77,250	204,179	281,429	522,820
Telephone and communications	10,863	25,028	557	25,585	36,448
Travel, meetings and special events	79,879	183,433	141,552	324,985	404,864
Bank and merchant service charges	1,740	21,918	391,225	413,143	414,883
Marketing, advertising and recruitment	1,815	8,933	19,103	28,036	29,851
Online, telemarketing and face-to-face	60,102	5,500	4,215,730	4,221,230	4,281,332
Grants to other organizations	706,886	-	-	-	706,886
In-kind professional services	250,000	-	-	-	250,000
Grants to UNHCR:					
Cash transfers	30,353,281	-	-	-	30,353,281
In-kind	2,481,868	-	-	-	2,481,868
<b>TOTAL</b>	<b>\$ 36,428,675</b>	<b>\$ 2,143,827</b>	<b>\$ 19,219,322</b>	<b>\$ 21,363,149</b>	<b>\$ 57,791,824</b>

See accompanying notes to financial statements.



**UNITED STATES ASSOCIATION FOR UNHCR**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 589,227	\$ (252,169)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Unrealized gain	(701)	(8,036)
Realized loss (gain)	34,119	(46,420)
Depreciation and amortization	47,556	23,481
Loss on disposal of fixed assets	12,075	-
Amortization of right-of-use asset	255,340	-
(Increase) decrease in:		
Grants and contributions receivable	(1,685,855)	(2,511,172)
Prepaid expenses	534,720	273,022
Deposits	(53,187)	-
(Decrease) increase in:		
Accounts payable and accrued liabilities	(777,180)	3,842,500
Operating lease liability	(66,227)	-
Due to UNHCR	<u>(1,078,205)</u>	<u>(4,452,518)</u>
Net cash used by operating activities	<u>(2,188,318)</u>	<u>(3,131,312)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of computers and equipment	(244,875)	(50,253)
Net (purchases) proceeds from sale of investments	<u>(38,809)</u>	<u>2,706,363</u>
Net cash (used) provided by investing activities	<u>(283,684)</u>	<u>2,656,110</u>
Net decrease in cash and cash equivalents	(2,472,002)	(475,202)
Cash and cash equivalents at beginning of year	<u>19,968,211</u>	<u>20,443,413</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 17,496,209</u></b>	<b><u>\$ 19,968,211</u></b>
<b>SCHEDULE OF NONCASH INVESTING ACTIVITY:</b>		
Right-of-Use Assets	<b><u>\$ 6,433,898</u></b>	<b><u>\$ -</u></b>
<b>SCHEDULE OF NONCASH OPERATING ACTIVITY:</b>		
Operating Lease Liability	<b><u>\$ 6,433,898</u></b>	<b><u>\$ -</u></b>

## UNITED STATES ASSOCIATION FOR UNHCR

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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

##### Organization -

United States Association for UNHCR (USA for UNHCR) helps and protects refugees and people displaced by violence, conflict and persecution. Working with UNHCR - the UN Refugee Agency - and its partners, USA for UNHCR provides life-saving essentials including shelter, water, food, safety and protection. Around the world, USA for UNHCR helps refugees survive, recover and build a better future.

USA for UNHCR gives refugees the hope and dignity they deserve and help them rebuild their lives. Established by concerned American citizens, USA for UNHCR is a 501(c)(3) non-profit organization, headquartered in Washington, D.C., with an office in New York, NY.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted for the year ended December 31, 2018 and applied retrospectively.

##### Cash and cash equivalents -

USA for UNHCR 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, USA for UNHCR maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

##### Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, and unrealized gains and losses are included in interest and investment income net of investment expenses provided by external investment advisors and allocated internal management costs in the Statements of Activities and Changes in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. The USA for UNHCR's policy is to liquidate all gifts of investments as soon as possible after the gift. As of December 31, 2018 and 2017, all of USA for UNHCR's investments are classified as Level 1.

##### Grants and contributions receivable -

Grants and contributions receivable are stated at their net realizable value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Furniture and equipment -

Furniture and equipment in excess of \$5,000, purchased with funds without donor restrictions, are stated at cost and are depreciated on the straight-line basis over their related estimated useful lives, generally three to seven years.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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

Furniture and equipment (continued) -

Leasehold improvements are amortized over the remaining life of the lease. Furniture and equipment purchased with donor restricted funds are expensed and charged to the corresponding program. The cost of maintenance and repairs is recorded as expenses are incurred.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Statements of Activities and Changes in Net Assets, to its current fair value.

Right-of-use asset -

In accordance with the adoption of ASU 2016-02 *Leases* (Topic 842); the new lease agreements in New York and Washington, D.C. have been placed on the accompanying statement of financial position at the net present value of the lease commitments. The value of the right-of-use asset and related operating lease liability is being amortized over the terms of the lease commitments.

Income taxes -

USA for UNHCR is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization is not a private foundation. USA for UNHCR is subject to unrelated business income taxes under Section 512 of the Internal Revenue Code. Beginning January 1, 2018, USA for UNHCR is subject to unrelated business income taxes on qualified transportation fringe benefits provided to its employees. USA for UNHCR is not a private foundation.

Uncertain tax positions -

For the years ended December 31, 2018 and 2017, USA for UNHCR has documented its consideration of FASB ASC 740-10 (*Income Taxes*) and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Due to UNHCR -

USA for UNHCR receives gifts with donor-imposed restrictions for various programs that UNHCR is implementing around the world. Funds are collected by USA for UNHCR and then granted to UNHCR for the specific purpose as stated by the donor.

The balance in Due to UNHCR are the funds received but not yet transferred to UNHCR. The balance at December 31, 2018 and 2017 totaled \$4,381,576 and \$5,459,781, respectively.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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

Net asset classification (continued) -

Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets without donor restrictions are available for the general operations of USA for UNHCR and are not subject to donor restrictions.

**Net Assets With Donor Restrictions** - Net assets with donor restrictions include contributions and grants restricted by donors and are reported as increases in net assets with donor restrictions during the reporting period in which USA for UNHCR was notified of such contributions or grants by the donors. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying Statement of Activities and Change in Net Assets.

In-kind contributions -

During 2018 and 2017, USA for UNHCR received in-kind contributions totaling \$5,900,641 and \$2,731,868, respectively. In-kind contributions for 2018 consisted of donated shoes, transportation services, shipping costs, and professional services. In-kind contributions for 2017 consisted of donated shoes, advertisements, transportation services, shipping costs, and professional services. The fair value of the in-kind contributions has been recorded as in-kind revenue and expense in the accompanying Statements of Activities and Changes in Net Assets.

Grants and contributions -

Grants and contributions received without donor restrictions and with donor restrictions are recorded as revenue in the year notification is received from the donor. Grants and contributions with 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. Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying financial statements.

Allocation of functional 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 attributed to a specific functional area of The USA for UNHCR 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.

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 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.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

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

Investment risks and uncertainties -

USA for UNHCR invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Fair value measurement -

USA for UNHCR adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

USA for UNHCR accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncements (not yet adopted) -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states 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 those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. USA for UNHCR has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. USA for UNHCR has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

USA for UNHCR plans to adopt the new ASUs at the respective required implementation dates.

**UNITED STATES ASSOCIATION FOR UNHCR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**2. INVESTMENTS**

Investments consisted of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Common Stocks	\$ -	\$ 19,361
Mutual Funds	<u>24,752</u>	<u>-</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 24,752</u></b>	<b><u>\$ 19,361</u></b>

Included within interest and investment income are the following:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 138,449	\$ 60,476
Unrealized gain	701	8,036
Realized (loss) gain	<u>(34,119)</u>	<u>46,420</u>
<b>TOTAL INVESTMENT INCOME</b>	<b><u>\$ 105,031</u></b>	<b><u>\$ 114,932</u></b>

**3. GRANTS AND CONTRIBUTIONS RECEIVABLE**

As of December 31, 2018 and 2017, contributors to USA for UNHCR have made written promises to give totaling \$6,823,416 and \$5,137,561, respectively. Contributions are due as follows at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Less Than One Year	\$ 6,198,416	\$ 5,137,561
One to five years	<u>625,000</u>	<u>-</u>
<b>CONTRIBUTIONS RECEIVABLE</b>	<b><u>\$ 6,823,416</u></b>	<b><u>\$ 5,137,561</u></b>

**4. FURNITURE AND EQUIPMENT**

Furniture and equipment consisted of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Computer hardware	\$ 169,109	\$ 169,109
Equipment	244,875	42,578
Leasehold improvements	<u>-</u>	<u>48,107</u>
Total Furniture and equipment	413,984	259,794
Less: Accumulated depreciation and amortization	<u>(165,526)</u>	<u>(196,580)</u>
<b>NET FURNITURE AND EQUIPMENT</b>	<b><u>\$ 248,458</u></b>	<b><u>\$ 63,214</u></b>

**UNITED STATES ASSOCIATION FOR UNHCR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Program Services:		
Grant commitments to UNHCR	\$ 6,103,391	\$ 5,496,416
Grant commitments to other organizations	<u>5,021</u>	<u>5,021</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 6,108,412</u></b>	<b><u>\$ 5,501,437</u></b>

**6. NET ASSETS RELEASED FROM RESTRICTIONS**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

	<u>2018</u>	<u>2017</u>
<b>Grants to UNHCR</b>	<b><u>\$ 15,445,581</u></b>	<b><u>\$ 13,551,294</u></b>

**7. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)**

The following reflects USA for UNHCR'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 USA for UNHCR's financial assets available to meet cash needs for general expenditures within one year as of December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 17,496,209	\$ 19,968,211
Investments	24,752	19,361
Grants and contributions receivable	<u>6,823,416</u>	<u>5,137,561</u>
Total financial assets	24,344,377	25,125,133
Less: Funds subject to donor-imposed purpose restrictions	<u>(6,108,412)</u>	<u>(5,501,437)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 18,235,965</u></b>	<b><u>\$ 19,623,696</u></b>

USA for UNHCR has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2018 and 2017, USA for UNHCR has financial assets equal to approximately three months and four months, respectively, of operating expenses.

**UNITED STATES ASSOCIATION FOR UNHCR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017**

**8. GRANTS TO UNHCR**

During the years ended December 31, 2018 and 2017, USA for UNHCR committed grants to the United Nations High Commissioner for Refugees (UNHCR) totaling \$36,050,641 and \$32,835,149 (including in-kind contributions), respectively. These grants were made for the purpose of supporting programs administered by UNHCR. Following is a list of the committed grants made during 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash Transfers:		
Afghan Refugees	\$ 195,383	\$ 73,178
Bangladesh	800,010	200,000
Capacity Building	50,000	94,160
CAR for Core Relief Items	300,010	-
Chad/Sudan	312,134	3,950
Children on Run NTCA	32,851	14,204
DAFI Scholarship Program	35,000	50,000
DRC WASH	6,615	299,575
Earthquake and Tsunami in Indonesia Emergency Response	256,000	-
Education	1,382,199	962,390
Emergency Preparation Supply Chain	44,000	47,080
Greatest Needs*	15,016,394	17,916,535
Jordan	1,514,610	971,339
Lebanon	82,541	-
Mexico Project	535,000	-
Nicaraguan Refugees in Costa Rica	11,048	-
Other	-	1,880,682
Rohingya in Bangladesh	2,597,094	805,590
Safe Road Use Workshops	50,000	51,760
Shelter	10,255	54,009
South Sudan	1,098,530	1,337,722
Syria	746,478	1,854,735
Tanzania/Burundi	325,030	-
Uganda	1,068,544	1,210,234
Venezuela	1,026,750	-
Winterization	1,972,972	264,551
Yemen	<u>788,594</u>	<u>308,917</u>
Subtotal - Cash Transfers	<u>30,258,042</u>	<u>28,400,611</u>
In-kind Donations:		
Angola	-	530,000
Bangladesh	194,577	-
Burkina Faso	138,000	116,150
Connected Education	128,522	-
Ethiopia	225,000	-
Kakuma Operations	1,220,532	-
Nairobi	-	262,190
Satellites	29,531	-
Tanzania	1,389,315	420,969
Uganda	<u>2,467,122</u>	<u>1,152,559</u>
Sub-total - In-kind Donations	<u>5,792,599</u>	<u>2,481,868</u>
Grants committed, not yet paid	<u>-</u>	<u>1,952,670</u>
<b>TOTAL GRANTS TO UNHCR</b>	<b><u>\$ 36,050,641</u></b>	<b><u>\$ 32,835,149</u></b>

\* Funded through contributions and grants without donor restrictions



UNITED STATES ASSOCIATION FOR UNHCR

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9. LEASE COMMITMENTS

In 2018, USA for UNHCR entered into an eleven year lease for new office space in Washington D.C. In accordance with the lease agreement, USA for UNHCR will not be required to make rent payments for the first twelve months of the new lease.

In 2018, USA for UNHCR entered into a new ten year lease agreement for office space in New York. In accordance with the lease agreement, USA for UNHCR will not be required to make rent payments for the first three months of the lease.

During 2018 USA for UNHCR elected to early implement Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02 related to leases. ASU 2016-02 requires the recognition of a right-of-use asset and corresponding lease liability, initially measured at the present value of the lease payments. Accordingly, with the early adoption and implementation of the ASU using a modified retrospective approach, USA for UNHCR, recorded right-of-use assets and operating lease liabilities of \$6,433,898 by calculating the net present value of the lease commitments using discount rates of 4.75% and 5.25%, respectively.

The right-of-use assets and operating lease liabilities are being amortized over the respective lives of the leases. As of December 31, 2018, the unamortized right-of-use assets was valued at \$6,178,558 and the unamortized operating lease liabilities were valued at \$6,367,671.

Following is a schedule of future minimum lease commitments as of December 31, 2018:

<u>Year Ending December 31,</u>	
2019	\$ 432,631
2020	774,771
2021	794,180
2022	814,076
2023	845,745
Thereafter	<u>4,663,964</u>
Sub-total	8,325,367
Less: Imputed Interest	<u>(1,957,696)</u>
	<b><u>\$ 6,367,671</u></b>

Total rent and utilities expense was \$738,302 and \$522,820, for the years ended December 31, 2018 and 2017, respectively.

10. RETIREMENT PLAN

USA for UNHCR administers a defined contribution plan (401(k) plan) that covers all employees with a minimum of one month of service. USA for UNHCR contributes 5% of each eligible employee's annual salary. Total retirement expense for the years ended December 31, 2018 and 2017 was \$217,591 and \$187,187, respectively.

11. SUBSEQUENT EVENTS

In preparing these financial statements, USA for UNHCR has evaluated events and transactions for potential recognition or disclosure through May 3, 2019, the date the financial statements were issued.