

FINANCIAL STATEMENTS



**UNITED STATES ASSOCIATION
FOR UNHCR**

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

UNITED STATES ASSOCIATION FOR UNHCR

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CPAs & ADVISORS

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, 2019 and 2018, 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, 2019 and 2018, 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.

A handwritten signature in black ink that reads "Gelman Rosenberg & Freedman". The signature is written in a cursive, flowing style.

May 27, 2020

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UNITED STATES ASSOCIATION FOR UNHCR

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 17,178,929	\$ 17,496,209
Investments	-	24,752
Grants and contributions receivable	3,847,052	6,823,416
Prepaid expenses	877,763	399,462
Furniture and equipment, net of accumulated depreciation and amortization of \$172,196 and \$165,526 at December 31, 2019 and 2018, respectively	153,078	248,458
Right-of-use assets, net of amortization of \$255,339	5,627,899	6,178,558
Deposits	<u>152,196</u>	<u>152,196</u>
TOTAL ASSETS	<u>\$ 27,836,917</u>	<u>\$ 31,323,051</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities	\$ 1,743,572	\$ 3,919,780
Due to UNHCR	5,067,875	4,381,576
Operating lease liability	<u>6,253,279</u>	<u>6,367,671</u>
Total liabilities	<u>13,064,726</u>	<u>14,669,027</u>

NET ASSETS

Without donor restrictions	11,955,937	10,545,612
With donor restrictions	<u>2,816,254</u>	<u>6,108,412</u>
Total net assets	<u>14,772,191</u>	<u>16,654,024</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,836,917</u>	<u>\$ 31,323,051</u>

UNITED STATES ASSOCIATION FOR UNHCR

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions and grants	\$ 31,203,822	\$ 10,158,325	\$ 41,362,147
Contributions from UNHCR	11,211,701	-	11,211,701
In-kind contributions	2,908,093	-	2,908,093
Interest and investment income	213,716	-	213,716
Net assets released from donor restrictions - satisfaction of donor restrictions	<u>13,450,483</u>	<u>(13,450,483)</u>	<u>-</u>
Total revenue	<u>58,987,815</u>	<u>(3,292,158)</u>	<u>55,695,657</u>
EXPENSES			
Program Services:			
Refugee Programs and Awareness Activities	<u>36,929,357</u>	<u>-</u>	<u>36,929,357</u>
Supporting Services:			
Management and General	2,526,058	-	2,526,058
Fundraising	<u>18,122,075</u>	<u>-</u>	<u>18,122,075</u>
Total supporting services	<u>20,648,133</u>	<u>-</u>	<u>20,648,133</u>
Total expenses	<u>57,577,490</u>	<u>-</u>	<u>57,577,490</u>
Changes in net assets	1,410,325	(3,292,158)	(1,881,833)
Net assets at beginning of year	<u>10,545,612</u>	<u>6,108,412</u>	<u>16,654,024</u>
NET ASSETS AT END OF YEAR	<u>\$ 11,955,937</u>	<u>\$ 2,816,254</u>	<u>\$ 14,772,191</u>

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 28,389,892	\$ 16,052,556	\$ 44,442,448
12,018,001	-	12,018,001
6,877,067	-	6,877,067
105,031	-	105,031
<u>15,445,581</u>	<u>(15,445,581)</u>	<u>-</u>
<u>62,835,572</u>	<u>606,975</u>	<u>63,442,547</u>
<u>41,563,989</u>	<u>-</u>	<u>41,563,989</u>
2,147,878	-	2,147,878
<u>19,141,453</u>	<u>-</u>	<u>19,141,453</u>
<u>21,289,331</u>	<u>-</u>	<u>21,289,331</u>
<u>62,853,320</u>	<u>-</u>	<u>62,853,320</u>
(17,748)	606,975	589,227
<u>10,563,360</u>	<u>5,501,437</u>	<u>16,064,797</u>
<u>\$ 10,545,612</u>	<u>\$ 6,108,412</u>	<u>\$ 16,654,024</u>

UNITED STATES ASSOCIATION FOR UNHCR

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services		Supporting Services		
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 1,741,936	\$ 945,849	\$ 3,166,787	\$ 4,112,636	\$ 5,854,572
Payroll taxes and related benefits	360,739	213,095	707,194	920,289	1,281,028
Depreciation and amortization	24,390	22,075	56,272	78,347	102,737
Computers and equipment	9,744	123,882	26,747	150,629	160,373
Insurance	13,005	9,716	22,412	32,128	45,133
Dues and subscriptions	47,238	26,694	22,306	49,000	96,238
Postage and delivery	73	7,771	22,306	30,077	30,150
Printing, productions and publications	263,311	35,277	9,906,788	9,942,065	10,205,376
List rental and processing fees	1,277	41,804	614,942	656,746	658,023
Professional fees and consulting	126,763	227,538	78,917	306,455	433,218
Licenses and permits	18,333	52,120	293,675	345,795	364,128
Supplies and office expenses	94,317	21,553	4,269	25,822	120,139
Rent and utilities	468,234	92,292	253,502	345,794	814,028
Telephone and communications	1,767	47,408	1,637	49,045	50,812
Travel, meetings and special events	157,992	264,902	225,131	490,033	648,025
Bank and merchant service charges	-	10,548	508,417	518,965	518,965
Marketing, advertising and recruitment	83,091	78,254	1,697	79,951	163,042
Online, telemarketing and face-to-face	563,530	305,280	2,186,352	2,491,632	3,055,162
Grants to other organizations	704,496	-	-	-	704,496
In-kind professional services	372,939	-	22,724	22,724	395,663
Grants to UNHCR:					
Cash transfers	27,363,751	-	-	-	27,363,751
In-kind	2,512,431	-	-	-	2,512,431
Future grants	2,000,000	-	-	-	2,000,000
TOTAL	\$ 36,929,357	\$ 2,526,058	\$ 18,122,075	\$ 20,648,133	\$ 57,577,490

See accompanying notes to financial statements.

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	6,769,025	-	-	-	6,769,025
TOTAL	\$ 41,563,989	\$ 2,147,878	\$ 19,141,453	\$ 21,289,331	\$ 62,853,320

See accompanying notes to financial statements.

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (1,881,833)	\$ 589,227
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Unrealized gain	-	(701)
Realized (gain) loss	(49,247)	34,119
Depreciation and amortization	102,737	47,556
Loss on disposal of fixed assets	-	12,075
Amortization of right-of-use asset and change in lease liability	436,267	189,113
Decrease (increase) in:		
Grants and contributions receivable	2,976,364	(1,685,855)
Prepaid expenses	(478,301)	534,720
Deposits	-	(53,187)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(2,176,208)	(777,180)
Due to UNHCR	<u>686,299</u>	<u>(1,078,205)</u>
Net cash used by operating activities	<u>(383,922)</u>	<u>(2,188,318)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of computers and equipment	(7,357)	(244,875)
Net proceeds (purchases) from sale of investments	<u>73,999</u>	<u>(38,809)</u>
Net cash provided (used) by investing activities	<u>66,642</u>	<u>(283,684)</u>
Net decrease in cash and cash equivalents	(317,280)	(2,472,002)
Cash and cash equivalents at beginning of year	<u>17,496,209</u>	<u>19,968,211</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 17,178,929</u>	<u>\$ 17,496,209</u>
SCHEDULE OF NONCASH INVESTING ACTIVITY:		
Right-of-Use Assets	<u>\$ -</u>	<u>\$ 6,433,898</u>
SCHEDULE OF NONCASH OPERATING ACTIVITY:		
Operating Lease Liability	<u>\$ -</u>	<u>\$ 6,433,898</u>

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019 AND 2018

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 helps 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, New York.

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 of Not-for-Profit 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 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 Statements of Activities and Changes in Net Assets.

New accounting pronouncements adopted -

During 2019, the USA for UNHCR adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way recognized revenue; however, the presentation and disclosures of revenue have been enhanced. USA for UNHCR has elected to opt out of all disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

Also during 2019, USA for UNHCR adopted ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. USA for UNHCR adopted the ASU using a modified prospective basis.

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.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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

Cash and cash equivalents (continued) -

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. USA for UNHCR's policy is to liquidate all gifts of investments as soon as possible after the gift. As of December 31, 2019 and 2018, 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. 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. USA for UNHCR is subject to unrelated business income taxes under Section 512 of the Internal Revenue Code. USA for UNHCR is not a private foundation.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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

Uncertain tax positions -

For the years ended December 31, 2019 and 2018, 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, 2019 and 2018 totaled \$5,067,875 and \$4,381,576, respectively.

In-kind contributions -

During 2019 and 2018, USA for UNHCR received in-kind contributions totaling \$2,908,093 and \$6,877,067, respectively. In-kind contributions for 2019 consisted of donated shoes, transportation services, shipping costs, and professional services. In-kind contributions for 2018 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.

Contributions and grants -

Gifts, including unconditional pledges, grants and contracts are recognized in the appropriate category of net assets in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Contributions and grants receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Contributions qualifying as contributions and grants are recorded by USA for UNHCR upon notification of the contribution and grant award and satisfaction of all conditions, if applicable. Contributions and grants are classified as net assets with donor restrictions when use of the contributions and grant funds is limited to specific programmatic areas or is designated for use in future periods. Contributions and grants 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 restrictions in the accompanying financial statements. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

Allocation of functional expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes 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 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.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

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

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.

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.

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.

2. GRANTS AND CONTRIBUTIONS RECEIVABLE

As of December 31, 2019 and 2018, contributors to USA for UNHCR have made written promises to give totaling \$3,847,052 and \$6,823,416, respectively. Contributions are due as follows at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Less than one year	\$ 3,847,052	\$ 6,198,416
One to five years	<u>-</u>	<u>625,000</u>
CONTRIBUTIONS RECEIVABLE	<u>\$ 3,847,052</u>	<u>\$ 6,823,416</u>

3. FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Computer hardware	\$ 73,042	\$ 169,109
Equipment	<u>252,232</u>	<u>244,875</u>
Total Furniture and equipment	325,274	413,984
Less: Accumulated depreciation and amortization	<u>(172,196)</u>	<u>(165,526)</u>
NET FURNITURE AND EQUIPMENT	<u>\$ 153,078</u>	<u>\$ 248,458</u>

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Program Services:		
Grant commitments to UNHCR	\$ 2,816,254	\$ 6,103,391
Grant commitments to other organizations	<u> -</u>	<u> 5,021</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ <u>2,816,254</u>	\$ <u>6,108,412</u>

5. 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>2019</u>	<u>2018</u>
Grants to UNHCR	\$ 13,445,462	\$ 15,445,581
Grants to other organizations	<u> 5,021</u>	<u> -</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ <u>13,450,483</u>	\$ <u>15,445,581</u>

6. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)

The following reflects USA for UNHCR's financial assets as of the date of the Statements of Financial Position, reduced by amounts not available for general use within one year from the date of the Statements 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 Statements 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, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 17,178,929	\$ 17,496,209
Investments	-	24,752
Grants and contributions receivable	<u>3,847,052</u>	<u>6,823,416</u>
Total financial assets	21,025,981	24,344,377
Less: Funds subject to donor-imposed purpose restrictions	<u>(2,816,254)</u>	<u>(6,108,412)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>18,209,727</u>	\$ <u>18,235,965</u>

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, 2019 and 2018, USA for UNHCR has financial assets equal to approximately three months of operating expenses.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

7. GRANTS TO UNHCR

During the years ended December 31, 2019 and 2018, USA for UNHCR committed grants to the United Nations High Commissioner for Refugees (UNHCR) totaling \$31,876,182 and \$37,027,067 (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 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash Transfers:		
Afghan Refugees	\$ -	\$ 195,383
Bangladesh	-	800,010
Capacity Building	53,500	50,000
CAR for Core Relief Items	599,168	300,010
Chad/Sudan	127,230	312,134
Children on Run NTCA	-	32,851
DAFI Scholarship Program	-	35,000
DRC WASH	-	6,615
Earthquake and Tsunami in Indonesia Emergency Response	-	256,000
Education	1,079,734	1,382,199
Emergency Preparation Supply Chain	47,080	44,000
Ethiopia	948,200	-
Greatest Needs*	15,900,220	15,016,394
India	53,916	-
Jordan	1,037,973	1,514,610
Kakuma District	1,051,730	-
Lebanon	-	82,541
Mexico Project	1,745,437	535,000
Nicaraguan Refugees in Costa Rica	-	11,048
Other	61,600	-
Rohingya in Bangladesh	1,219,105	2,597,094
Safe Road Use Workshops	53,500	50,000
Shelter	454,752	10,255
South Sudan	2,588	1,098,530
Southern Africa (Cyclone)	134,281	-
Syria	1,415,734	746,478
Tanzania/Burundi	-	325,030
Uganda	-	1,068,544
Venezuela	1,080,437	1,026,750
Winterization	297,566	1,972,972
Yemen	-	<u>788,594</u>
Subtotal - Cash Transfers	<u>27,363,751</u>	<u>30,258,042</u>

* Funded through contributions and grants without donor restrictions.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

7. GRANTS TO UNHCR (Continued)

Following is a list of the committed grants made during 2019 and 2018 (continued):

	<u>2019</u>	<u>2018</u>
In-kind Donations:		
Bangladesh	\$ -	\$ 194,577
Burkina Faso	165,152	138,000
Caracas	55,000	-
Connected Education	-	128,522
Ethiopia	-	225,000
Kakuma Operations	-	2,196,958
Kenya	21,420	-
Malawi	275,000	-
Niger	295,000	-
Satellites	-	29,531
Software	1,144,500	-
Somalia	275,000	-
Tanzania	-	1,389,315
Uganda	<u>281,359</u>	<u>2,467,122</u>
Sub-total - In-kind Donations	<u>2,512,431</u>	<u>6,769,025</u>
Grants committed, not yet paid	<u>2,000,000</u>	<u>-</u>
TOTAL GRANTS TO UNHCR	<u>\$ 31,876,182</u>	<u>\$ 37,027,067</u>

8. 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, 2019 and 2018, the unamortized right-of-use assets were valued at \$5,627,899 and \$6,178,558, respectively, and the unamortized operating lease liabilities were valued at \$6,253,279 and \$6,367,671, respectively.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

8. LEASE COMMITMENTS (Continued)

Following is a schedule of future minimum lease commitments as of December 31, 2019:

Year Ending December 31,

2020	\$ 774,771
2021	794,180
2022	814,076
2023	845,745
2024	875,373
Thereafter	<u>3,788,591</u>
Sub-total	7,892,736
Less: Imputed Interest	<u>(1,639,457)</u>
	<u>\$ 6,253,279</u>

Total rent and utilities expense was \$814,028 and \$738,302, for the years ended December 31, 2019 and 2018, respectively.

9. 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. During 2019, USA for UNHCR increased their contribution from 5% to 7.5% of each eligible employee's annual salary. Total retirement expense for the years ended December 31, 2019 and 2018 was \$312,257 and \$217,591, respectively.

10. SUBSEQUENT EVENTS

In preparing these financial statements, USA for UNHCR has evaluated events and transactions for potential recognition or disclosure through May 27, 2020, the date the financial statements were issued.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may impact USA for UNHCR's operations.

In May 2020, USA for UNHCR entered into a two-year promissory note agreement in the amount of approximately \$1,000,000 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note beginning in November 2020, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the U.S. Small Business Administration in whole or in part.