



U.S. Committee for Refugees and Immigrants

Financial Statements
For the Years Ended September 30, 2015 and
2014

**U.S. Committee for Refugees and
Immigrants**

Financial Statements
For the Years Ended September 30, 2015 and 2014

U.S. Committee of Refugees and Immigrants

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Independent Auditor's Report

To the Board of Directors
U.S. Committee for Refugees and Immigrants
Arlington, Virginia

We have audited the accompanying financial statements of **U.S. Committee for Refugees and Immigrants** (USCRI), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, 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 audit 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 **U.S. Committee for Refugees and Immigrants** as of September 30, 2015 and 2014, 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.

BDO USA, LLP

March 25, 2016

Financial Statements

U.S. Committee for Refugees and Immigrants

Statements of Financial Position

<i>September 30,</i>	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 2,922,395	\$ 3,503,317
Grants receivable	6,259,291	4,433,023
Accounts receivable, net	658,724	615,573
Prepaid expenses	441,718	101,017
Advances and other assets	62,473	25,344
Total current assets	10,344,601	8,678,274
Noncurrent assets		
Investments	3,965,568	4,141,303
Property and equipment, net	687,657	392,577
Total noncurrent assets	4,653,225	4,533,880
Total assets	\$ 14,997,826	\$ 13,212,154
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 722,759	\$ 783,943
Grants payable to affiliated agencies	4,299,136	3,080,307
Deferred revenue	721,570	626,266
IOM liability	407,626	524,493
Deferred rent liability	183,389	24,299
Total current liabilities	6,334,480	5,039,308
Noncurrent liabilities		
Deferred rent liability	597,613	410,714
Total liabilities	6,932,093	5,450,022
Commitments and contingencies		
Net assets		
Unrestricted		
Board designated	7,589,333	7,762,132
Temporarily restricted	476,400	-
Total net assets	8,065,733	7,762,132
Total liabilities and net assets	\$ 14,997,826	\$ 13,212,154

See accompanying notes to financial statements.

U.S. Committee for Refugees and Immigrants

Statement of Activities

Year ended September 30, 2015

	Unrestricted	Temporarily Restricted		Total
Revenue and support				
Government grants	\$ 46,560,452	\$ -	\$	46,560,452
Foundation grants and other contributions	488,600	500,000		988,600
IOM collection fees	1,905,265	-		1,905,265
Program service fees	1,419,867	-		1,419,867
Investment (loss), net	(117,136)	-		(117,136)
Member agency dues	90,000	-		90,000
Other revenue	11,658	-		11,658
Net assets released from restriction:	23,600	(23,600)		-
Total revenue and support	50,382,306	476,400		50,858,706
Expenses				
Program services				
Refugee Services Division	25,287,345	-		25,287,345
Immigrant Services Division	11,352,716	-		11,352,716
Vermont programs	2,612,671	-		2,612,671
Raleigh programs	2,241,158	-		2,241,158
Erie programs	2,226,902	-		2,226,902
Dearborn programs	1,909,783	-		1,909,783
Albany programs	1,685,013	-		1,685,013
Des Moines programs	1,760,244	-		1,760,244
International Organization for Migration	386,823	-		386,823
Shelter Program	19,057	-		19,057
Total program services	49,481,712	-		49,481,712
Supporting services				
Management and general	685,435	-		685,435
Fundraising	387,958	-		387,958
Total supporting services	1,073,393	-		1,073,393
Total expenses	50,555,105			50,555,105
Change in net assets	(172,799)	476,400		303,601
Net assets, beginning of year	7,762,132	-		7,762,132
Net assets, end of year	\$ 7,589,333	\$ 476,400	\$	8,065,733

See accompanying notes to financial statements.

U.S. Committee for Refugees and Immigrants

Statement of Activities

Year ended September 30, 2014

	Unrestricted	Temporarily Restricted		Total
Revenue and support				
Government grants	\$ 41,115,487	\$ -	\$	41,115,487
Foundation grants and other contributions	440,644	-		440,644
IOM collection fees	1,787,506	-		1,787,506
Program service fees	1,372,698	-		1,372,698
Investment gain, net	231,840	-		231,840
Member agency dues	90,250	-		90,250
Other revenue	33,586	-		33,586
Net assets released from restriction:	-	-		-
Total revenue and support	45,072,011	-		45,072,011
Expenses				
Program services				
Refugee Services Division	24,904,857	-		24,904,857
Immigrant Services Division	6,095,572	-		6,095,572
Vermont programs	2,591,122	-		2,591,122
Raleigh programs	2,166,513	-		2,166,513
Erie programs	2,276,568	-		2,276,568
Dearborn programs	2,110,616	-		2,110,616
Albany programs	1,631,940	-		1,631,940
Des Moines programs	1,386,640	-		1,386,640
International Organization for Migration	351,687	-		351,687
Shelter Program	86,915	-		86,915
Total program services	43,602,430	-		43,602,430
Supporting services				
Management and general	393,634	-		393,634
Fundraising	359,555	-		359,555
Total supporting services	753,189	-		753,189
Total expenses	44,355,619	-		44,355,619
Change in net assets	716,392	-		716,392
Net assets, beginning of year	7,045,740	-		7,045,740
Net assets, end of year	\$ 7,762,132	\$ -	\$	7,762,132

See accompanying notes to financial statements.

U. S. Committee for Refugees and Immigrants

Statement of Functional Expenses

Year ended September 30, 2015	Program Services											Supporting Services			Total
	Refugee Services Division	Immigrant Services Division	Vermont Programs	Raleigh Programs	Erie Programs	Dearborn Programs	Albany Programs	Des Moines Programs	International Organization of Migration	Shelter Programs	Total Programs Services	Management and General	Fundraising	Total Supporting Services	
Agency / contractual payments	\$ 22,515,043	\$ 9,417,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,932,422	\$ -	\$ -	\$ -	\$ 31,932,422
Direct refugee assistance	-	-	628,084	716,505	670,648	823,131	649,965	800,231	-	1,775	4,290,339	-	-	-	4,290,339
Salaries	1,116,256	771,535	956,186	735,293	713,227	466,645	459,450	433,282	133,548	12,946	5,798,368	2,113,956	140,398	2,254,354	8,052,722
Fringe benefits	317,285	231,826	327,785	251,078	329,500	247,195	219,508	177,374	45,653	3,253	2,150,457	334,204	41,331	375,535	2,525,992
Occupancy	212,977	111,459	86,130	49,257	25,164	54,295	45,278	34,263	23,347	42	642,212	341,330	36,920	378,250	1,020,462
Training and staff development	20,322	4,583	-	4,549	660	-	-	-	-	-	30,114	2,444	609	3,053	33,167
Professional fees	73,825	114,210	23,085	17,060	19,010	11,792	10,079	7,498	2,865	100	279,524	413,632	13,761	427,393	706,917
Advertising	372	1,121	80	930	1,135	130	660	545	-	-	4,973	7,697	3,566	11,263	16,236
Printing and reproduction	34,870	43,441	23,709	23,911	14,596	4,799	8,711	8,984	78,901	2	241,924	57,100	2,749	59,849	301,773
Equipment rental and repair	14,269	7,285	1,599	11,653	30,373	7,711	4,757	12,687	585	3	83,882	14,769	1,309	16,078	99,960
Telephone and communications	14,957	43,049	13,476	16,802	18,687	11,538	12,111	8,689	2,783	60	142,152	38,421	(1,257)	37,164	179,316
Postage and shipping	2,112	1,210	2,035	1,143	1,259	174	4,506	719	6,891	-	20,049	7,083	7,337	14,420	34,469
Insurance	14,491	13,741	15,228	12,671	17,065	9,672	9,362	4,652	1,521	-	98,403	21,679	2,301	23,980	122,383
Travel	219,311	90,048	65,934	69,087	9,226	16,946	15,572	40,502	6,890	-	533,516	62,634	2,312	64,946	598,462
Conferences and meetings	1,707	4,002	1,165	686	530	2,045	1,871	668	404	-	13,078	61,313	-	61,313	74,391
Bank and finance charges	7,575	1,124	6,697	764	1,452	1,283	1,315	509	75,105	-	95,824	31,826	3,699	35,525	131,349
Outside services and consulting	63,562	59,885	10,999	3,421	1,952	4,006	1,821	1,108	1,925	-	148,679	-	3,006	3,006	151,685
Miscellaneous expenses	3,654	3,929	11,993	3,994	13,439	228	103	1,199	398	-	38,937	11,326	772	12,098	51,035
Subscriptions and references	4,472	7,228	4,676	3,696	4,366	2,956	2,961	1,905	6,007	-	38,267	28,685	47,131	75,816	114,083
Childcare food	-	-	-	160	7,956	-	-	-	-	-	8,116	-	-	-	8,116
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	109,826	-	109,826	109,826
Total before overhead allocation	24,637,060	10,927,055	2,178,861	1,922,660	1,880,245	1,657,506	1,448,030	1,534,815	386,823	18,181	46,591,236	3,657,925	305,944	3,963,869	50,555,105
Overhead allocation	650,285	425,661	433,810	318,498	346,657	252,277	236,983	225,429	-	876	2,890,476	(2,972,490)	82,014	(2,890,476)	-
Total expenses, after overhead allocation	\$ 25,287,345	\$ 11,352,716	\$ 2,612,671	\$ 2,241,158	\$ 2,226,902	\$ 1,909,783	\$ 1,685,013	\$ 1,760,244	\$ 386,823	\$ 19,057	\$ 49,481,712	\$ 685,435	\$ 387,958	\$ 1,073,393	\$ 50,555,105

See accompanying notes to financial statements.

U.S. Committee for Refugees and Immigrants

Statement of Functional Expenses

Year ended September 30, 2014	Program Services										Supporting Services				Total
	Refugee	Immigrant								Total				Total	
	Services	Services	Vermont	Raleigh	Erie	Albany	Dearborn	Des Moines	IOM	Shelter	program	services	Management	Fundraising	
Division	Division	programs	programs	programs	programs	programs	programs	programs	program	services	and general	services	services	Total	
Agency/contractual payments	\$ 22,064,930	\$ 4,595,466	\$ -	\$ -	\$ -	\$ 23,126	\$ -	\$ 5,125	\$ -	\$ -	\$ 26,688,647	\$ -	\$ -	\$ -	\$ 26,688,647
Direct refugee assistance	-	-	657,429	738,293	718,922	691,881	1,065,468	710,343	-	-	4,582,336	-	-	-	4,582,336
Salaries	1,132,465	607,421	972,633	688,221	753,264	429,018	451,966	317,111	117,137	17,218	5,486,454	1,794,340	136,447	1,930,787	7,417,241
Fringe benefits	307,397	188,445	313,989	204,542	306,432	181,818	216,410	97,249	38,483	4,421	1,859,186	434,279	38,497	472,776	2,331,962
Occupancy	242,854	102,840	92,372	55,297	26,284	35,587	50,545	39,082	22,910	20,613	688,384	207,850	31,277	239,127	927,511
Training and staff development	15,732	915	-	3,502	450	-	-	-	-	-	20,599	1,174	464	1,638	22,237
Professional fees	109,716	108,910	22,034	26,968	17,638	10,912	10,954	8,821	2,216	41,385	359,554	169,513	7,059	176,572	536,126
Advertising	395	420	310	1,160	380	50	290	520	-	-	3,525	1,545	155	1,700	5,225
Printing and reproduction	2,736	1,975	3,815	184	-	-	-	292	26,733	3	35,738	2,556	186	2,742	38,480
Equipment rental and repair	102,922	51,815	9,600	30,058	44,250	9,079	34,235	12,297	3,808	1,189	299,253	44,886	12,737	57,623	356,876
Telephone and communications	31,378	28,316	11,638	16,315	12,844	4,668	7,377	4,399	2,797	654	120,386	46,093	4,077	50,170	170,556
Postage and shipping	4,390	2,556	1,984	2,992	2,073	10,021	602	466	49,880	-	74,964	12,514	5,583	18,097	93,061
Insurance	17,087	12,514	17,868	13,522	37,931	9,169	9,426	6,448	1,825	51	125,841	8,756	1,825	2,451	11,207
Travel	74,115	35,764	59,948	77,206	7,923	14,967	19,600	17,864	626	1,249	309,262	148,022	1,162	149,184	458,446
Conferences and meetings	138,862	586	309	4,377	2,072	(59)	544	589	-	-	147,280	24,762	30	24,792	172,072
Bank and finance charges	5,210	667	2,507	1,634	1,171	2,073	1,623	1,367	69,344	-	85,596	35,109	3,219	38,328	123,924
Outside services and consulting	12,457	6,229	10,602	3,887	1,476	1,334	4,054	10,574	1,152	83	51,848	24,998	31,849	56,847	108,695
Miscellaneous expenses	-	60	1,907	39	-	-	-	-	-	-	2,006	60,025	-	60,025	62,031
Subscription and references	4,354	5,253	4,405	2,779	3,710	2,076	2,566	1,958	14,776	49	41,926	11,958	3,910	15,868	57,794
Childcare food	-	-	-	-	8,529	-	-	-	-	-	8,529	-	-	-	8,529
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	56,822	-	56,822	56,822
Total before overhead allocation	24,267,000	5,750,152	2,183,350	1,870,976	1,945,349	1,425,720	1,875,660	1,234,505	351,687	86,915	40,991,314	3,085,202	279,103	3,364,305	44,355,619
Overhead allocation	637,857	345,420	407,772	295,537	331,219	206,220	234,956	152,135	-	-	2,611,116	(2,691,568)	80,452	(2,611,116)	-
Total expenses, after overhead allocation	\$ 24,904,857	\$ 6,095,572	\$ 2,591,122	\$ 2,166,513	\$ 2,276,568	\$ 1,631,940	\$ 2,110,616	\$ 1,386,640	\$ 351,687	\$ 86,915	\$ 43,602,430	\$ 393,634	\$ 359,555	\$ 753,189	\$ 44,355,619

See accompanying notes to financial statements.

U.S. Committee for Refugees and Immigrants

Statements of Cash Flows

<i>Years ended September 30,</i>	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 303,601	\$ 716,392
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	109,826	56,822
Investment loss/(gain)	253,931	(128,635)
Change in allowance for doubtful accounts	16,987	-
(Increase) decrease in assets		
Grants receivable	(1,826,268)	(559,124)
Accounts receivable	(60,138)	(216,482)
Prepaid expenses and other assets	(340,701)	96,926
Advances and other assets	(37,129)	880
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(61,184)	59,063
Grants payable to affiliated agencies	1,218,829	701,143
Deferred revenue	95,304	(3,434)
IOM liability	(116,867)	96,662
Deferred rent liability	345,989	(34,600)
Net cash (used in) provided by operating activities	(97,820)	785,613
Cash flows from investing activities		
Purchases of investments	(4,272,881)	(101,100)
Proceeds from sale of investments	4,194,685	24,510
Purchases of property and equipment	(404,906)	(204,402)
Net cash used in investing activities	(483,102)	(280,992)
Net (decrease) increase in cash and cash equivalents	(580,922)	504,621
Cash and cash equivalents, beginning of year	3,503,317	2,998,696
Cash and cash equivalents, end of year	\$ 2,922,395	\$ 3,503,317
Non-cash investing and financing activities:		
Tenant improvement allowance	\$ 266,630	\$ -

See accompanying notes to financial statements.

U.S. Committee for Refugees and Immigrants

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

The U.S. Committee for Refugees and Immigrants (USCRI) is a national, non-profit, nonsectarian organization incorporated during 1917 that provides services to refugees, immigrants, and other people in migration both in the United States and abroad. USCRI's mission is to address the needs and rights of persons in forced or voluntary migration worldwide through advocacy for fair and humane public policy, to facilitate and provide direct professional services, and to promote the full participation of migrants in their new communities. Funding is derived primarily through government grants.

Basis of Accounting

The financial statements of USCRI have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents include operating cash accounts and all liquid investments with original maturities of three months or less.

Grants Receivable

Grants receivable consist of expenses incurred which are due to be reimbursed and per capita earnings based on the number of refugees and immigrants serviced under the terms of USCRI's federal grants. All grants receivable amounts are due within one year and are expected to be fully collectible.

Accounts Receivable

Accounts receivable are amounts due from USCRI's field offices and are related to the fees for services programs.

An allowance for doubtful accounts is provided based on management's evaluation of potential uncollectible accounts receivable at year-end.

Investments

Investments consist of money market funds held for long-term investment purposes, certificates of deposit, U.S. government obligations, corporate and municipal bonds, equities and a beneficial interest in a trust. Changes in the market value of investments are included in investment return in the accompanying statements of activities.

U.S. Committee for Refugees and Immigrants

Notes to Financial Statements

Certificates of deposit and money market funds held in the investment portfolios are considered investments, as the funds are not intended to be used for general operating purposes.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 20 years, or the lesser of the minimum lease period or the asset's useful life for leasehold improvements. Expenditures for major repairs and improvements above \$5,000 are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred.

Upon the retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses.

Impairment of Long-Lived Assets

USCRI 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 asset is reduced, by a charge to the statements of activities, to its current fair value.

Classification of Net Assets

The net assets of USCRI are reported as follows:

- Unrestricted board designated net assets represent the portion of expendable funds that are available for support of USCRI's operations.
- Temporarily restricted net assets represent funds which are specifically restricted by donors for various programs or time restrictions.
- Permanently restricted net assets consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of USCRI. The restrictions stipulate that resources be maintained permanently but permit USCRI to expend the income generated in accordance with the provisions of the agreement.

USCRI had no permanently restricted net assets at September 30, 2015 or 2014.

Revenue and Support

USCRI reports grants and contributions as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the contributions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

U.S. Committee for Refugees and Immigrants

Notes to Financial Statements

USCRI has grants with United States government agencies in exchange for services. Revenue from the grants is recognized as costs are incurred on the basis of direct costs plus allowable indirect costs and other grants are recognized on a per capita basis. Revenue recognized on federal grants for which payments have not been received is reflected as grants receivable in the accompanying statements of financial position.

USCRI recognizes 25% of IOM loan fees for administration of this program when loans are made to immigrants.

Federal Grants Subject to Audit

USCRI receives funds from Federal sources that are subject to audit by the various awarding agencies. USCRI has not been informed of any intent to conduct an audit. In the event of such an audit, management does not believe that any material adjustments will be necessary.

Functional Allocation of Expenses

USCRI charges salaries to various programs and supporting services based upon the actual amount of time worked in each area. Fringe benefits are allocated to various programs and supporting services based on direct labor costs. Management and general expenses incurred are allocated to various programs and supporting services based upon total direct costs less agency payments.

Expenses

Expenses are recognized by USCRI during the period in which they are incurred. Expenses paid in advance are deferred to the applicable period.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Risk

Financial instruments which potentially subject USCRI to concentrations of credit risk consist principally of cash and cash equivalents and investments held at creditworthy financial institutions. At September 30, 2015 and 2014 substantially all of USCRI's cash and cash equivalents and investments were held at three financial institutions, in accounts over FDIC limits. USCRI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents and investments.

Credit risk with respect to receivables is limited because USCRI deals with a large number of donors over a wide geographic area.

U.S. Committee for Refugees and Immigrants

Notes to Financial Statements

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-09, "Revenue from Contracts with Customers (Topic 606)." The update establishes a comprehensive revenue recognition standard for virtually all industries under GAAP including those that previously followed industry-specific guidance. The principle of the update is that an entity should recognize revenue to depict the transfer of promised goods and services to customers under a contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for USCRI's fiscal year 2018. Management continues to evaluate the potential impact of this update on USCRI's financial statements.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern* (Subtopic 205-40): *Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The update provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern. The update also provides related disclosures. The guidance is effective for USCRI's fiscal year 2017. Presently, USCRI does not anticipate that the adoption of this update will have a material effect on USCRI's financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases" (Topic 842), which is the leasing standard for both lessees and lessors. Under this update, a lessee will recognize lease assets and liabilities on the statement of financial position for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. The guidance is effective for USCRI's fiscal year 2020. Management is currently determining the impact that adoption of this guidance will have on USCRI's financial statements.

2. Investments

Investments, at fair value, consist of the following at:

<i>September 30,</i>	2015	2014
Fixed income	\$ 1,780,907	\$ 2,355,156
Equities	1,767,055	1,419,423
Certificates of deposit	-	166,257
Mutual funds	306,220	-
Money market funds	111,386	147,840
Beneficial interest in a trust	-	52,627
Total	\$ 3,965,568	\$ 4,141,303

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Investment and interest and dividend income/(loss) consist of the following:

<i>Years Ended September 30,</i>		2015		2014
Interest and dividend income	\$	136,795	\$	103,205
Investment (loss)/gain		(253,931)		128,635
Total	\$	(117,136)	\$	231,840

Investment expenses were \$5,291 and \$20,093 for the years ended September 30, 2015 and 2014, respectively, and are recorded in the statements of functional expenses as part of professional fees.

3. Fair Value Measurements

USCRI follows the provisions of FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, in accounting for fair value measurements. ASC 820 establishes a common definition for fair value to be applied under generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of USCRI. Unobservable inputs are inputs that reflect USCRI's estimates about the assumptions market participants would use in pricing the asset or liability developed based on the best information available under the circumstances.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include corporate and municipal bonds, equities and preferred stock, money market funds, certificates of deposit and U.S. government obligations that are actively traded on a major exchange or over-the-counter markets.
- Level 2 - Valuations based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value.

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The following section describes the valuation methodologies used by USCRI to measure its financial assets at fair value:

- **Fixed income and Equities** - USCRI's fixed income and equity securities primarily consist of marketable securities whose quoted prices are available on the open market. USCRI's fair value of these investments are based on Level 1 inputs.
- **Mutual funds** - The fair value of the participation units owned by USCRI in mutual funds, invested in securities portfolios, are based on the underlying investments and are based on the net asset value of the shares held by USCRI as determined by quoted market prices at the end of the year.
- **Money market funds** - Money market funds represent primarily cash held in the investment portfolio.
- **Beneficial interest in a trust** - USCRI's investment in the beneficial interest in a trust represents mutual funds with an investment manager. The fair value of this investment is determined by reference to the funds' underlying assets, which are principally marketable securities and fixed income securities. This investment was liquidated during fiscal year 2015. Shares held in these mutual funds are traded on national securities exchanges and are valued at net asset value.

There was no change in valuation methodologies for years ending September 30, 2015 and 2014.

The following tables disclose the fair value hierarchy of USCRI's investment assets as of:

	September 30, 2015		
	Level 1	Level 2	Total
Fixed income:			
Corporate bonds	\$ 855,192	\$ -	\$ 855,192
U.S. government obligations	602,690	-	602,690
Municipal securities	323,025	-	323,025
Equities:			
Basic materials	96,885	-	96,885
Communications	72,980	-	72,980
Consumer staples	166,243	-	166,243
Consumer discretionary	213,508	-	213,508
Energy	99,782	-	99,782
Financials	415,245	-	415,245
Health care	187,431	-	187,431
Industrials	197,029	-	197,029
Technology	251,129	-	251,129
Utilities	66,823	-	66,823
Money market funds	111,386	-	111,386
Mutual funds - non traditional	276,573	-	276,573
Mutual funds - fixed income	29,647	-	29,647
Beneficial interest in a trust	-	-	-
Total	\$ 3,965,568	\$ -	\$ 3,965,568

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	September 30, 2014		
	Level 1	Level 2	Total
Fixed income:			
Corporate bonds	\$ 2,162,236	\$ -	\$ 2,162,236
Municipal securities	190,157	-	190,157
U.S. government obligations	2,763	-	2,763
Equities:			
Basic materials	37,311	-	37,311
Communications	35,240	-	35,240
Consumer staples	169,441	-	169,441
Consumer discretionary	116,691	-	116,691
Energy	285,566	-	285,566
Financials	180,009	-	180,009
Healthcare	164,701	-	164,701
Industrials	183,670	-	183,670
Technology	246,794	-	246,794
Certificates of deposits	166,257	-	166,257
Money market funds	147,840	-	147,840
Beneficial interest in a trust	-	52,627	52,627
Total	\$ 4,088,676	\$ 52,627	\$ 4,141,303

USCRI had no level 3 assets or liabilities for the years ended September 30, 2015 and 2014.

4. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following at:

<i>September 30,</i>	2015	2014
Nuevo Comienzo (New Beginning)	\$ 476,400	\$ -

5. Property and Equipment

USCRI held the following property and equipment at:

<i>September 30,</i>	2015	2014
Building and improvements	\$ 751,912	\$ 734,878
Furniture and equipment	324,009	298,302
Vehicles	119,428	105,062
Leasehold improvements	381,475	33,676
Land	27,550	27,550
Total property and equipment	1,604,374	1,199,468
Less: accumulated depreciation and amortization	(916,717)	(806,891)
Property and equipment, net	\$ 687,657	\$ 392,577

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Depreciation and amortization expense for the years ended September 30, 2015 and 2014 was \$109,826 and \$56,822, respectively.

6. Concentration of Revenue

USCRI receives a substantial portion of its revenue from the federal government. If a significant reduction in this revenue should occur, it may have an effect on USCRI's programs. During the years ended September 30, 2015 and 2014, USCRI earned revenue of \$46,560,452 and \$41,115,487 from the federal government, which is 92% and 91% of the total revenue and support earned in each of these years, respectively. These amounts are reflected in government grants in the accompanying statements of activities.

7. Lease Commitment

USCRI is committed under lease for office space that expires October 1, 2020.

The landlord provided USCRI with an allowance for tenant improvements in relation to its initial headquarters lease. The value of those improvements was \$233,964, and is included as an asset and a deferred rent liability in the statements of financial position. During 2015, USCRI had an additional build-out of office space. The landlord provided \$266,630 for tenant improvement allowances related to the additional build-out. USCRI signed an office lease agreement for this additional build-out space that also expires on October 1, 2020. In addition, the leases have stated rent escalations and the effect of this has also been recorded as a deferred rent liability and these are being amortized over the lease terms. As a security deposit, USCRI obtained a letter of credit on behalf of the landlord amounting to \$223,964. No amounts were drawn against the letter of credit during 2015 and 2014. Total rental expense was \$1,020,462 and \$927,511 for years ended September 30, 2015 and 2014, respectively.

Future minimum rental payments, by year and in aggregate, under the operating leases are as follows:

Years ending September 30,

2016	\$ 779,212
2017	883,700
2018	996,547
2019	1,023,952
2020	1,052,112
Thereafter	89,410
Total	\$ 4,844,933

8. Grants Payable to Affiliated Agencies

USCRI distributes grants to affiliated agencies, who are working in partnership with USCRI to help refugees and other newcomers to become full contributing members of their new American communities. The balance payable to affiliated agencies as of September 30, 2015 and 2014 was \$4,299,136 and \$3,080,307, respectively, and are payable within one year.

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9. Defined Contribution Pension Plan

USCRI sponsors a defined contribution retirement plan for all employees who have met certain age and length of service requirements. Annual contributions are made to the plan at a rate of 10% of each participant's annual compensation. Pension expense for the years ended September 30, 2015 and 2014 totaled \$542,919 and \$531,075, respectively, and is included in fringe benefits in the accompanying statements of functional expenses.

10. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code (IRC), USCRI is exempt from the payment of taxes on income other than net unrelated business income. As of September 30, 2015 and 2014, no provision for income taxes has been made, as USCRI had no net unrelated business income.

Under FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, USCRI must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely than not that the position will be sustained on examination. USCRI does not believe there are any unrecognized tax benefits that should be recorded. For the years ended September 30, 2015 and 2014, there were no interest or penalties recorded or included in the statements of activities. USCRI is still open to examination by taxing authorities from fiscal year 2012 forward.

11. Subsequent Events

USCRI evaluated subsequent events through March 25, 2016, which is the date the financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in these financial statements.