



# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

Consolidated Financial Statements  
For the Years Ended September 30, 2018 and 2017

**U.S. Committee for Refugees and  
Immigrants, Inc. and Related Entity**

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**Consolidated Financial Statements**  
For the Years Ended September 30, 2018 and 2017

# U.S. Committee for Refugees, Inc. and Immigrants and Related Entity

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## Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of **U.S. Committee for Refugees and Immigrants, Inc. and Related Entity**, which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements.

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



*Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **U.S. Committee for Refugees and Immigrants, Inc. and Related Entity** as of September 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

May 21, 2019

**Consolidated  
Financial Statements**

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# U.S. Committee for Refugees and Immigrants and Related Entity

## Consolidated Statements of Financial Position

<i>September 30,</i>	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,558,665	\$ 3,883,189
Grants receivable	5,230,679	7,012,580
Accounts receivable, net of allowance for uncollectible accounts of \$181,962 in 2018 and \$131,522 in 2017	858,043	905,922
Prepaid expenses	245,453	370,562
Advances and other assets	70,369	99,917
<b>Total current assets</b>	<b>11,963,209</b>	<b>12,272,170</b>
<b>Noncurrent assets</b>		
Investments	4,854,432	4,715,169
Property and equipment, net	1,151,182	902,865
<b>Total noncurrent assets</b>	<b>6,005,614</b>	<b>5,618,034</b>
<b>Total assets</b>	<b>\$ 17,968,823</b>	<b>\$ 17,890,204</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	1,424,096	1,064,557
Grants payable to affiliated agencies	3,166,739	4,871,067
Deferred revenue	553,819	847,676
IOM liability	380,625	435,609
Deferred rent liability	169,457	152,681
<b>Total current liabilities</b>	<b>5,694,736</b>	<b>7,371,590</b>
<b>Noncurrent liabilities</b>		
Deferred rent liability	-	522,757
<b>Total liabilities</b>	<b>5,694,736</b>	<b>7,894,347</b>
<b>Commitments and contingencies</b>		
<b>Net assets</b>		
Unrestricted	12,211,938	9,818,986
Temporarily restricted	62,149	176,871
<b>Total net assets</b>	<b>12,274,087</b>	<b>9,995,857</b>
<b>Total liabilities and net assets</b>	<b>\$ 17,968,823</b>	<b>\$ 17,890,204</b>

*See accompanying notes to consolidated financial statements.*

# U.S. Committee for Refugees and Immigrants and Related Entity

## Consolidated Statement of Activities

*Year ended September 30, 2018*

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and support</b>			
Government grants	\$ 50,461,476	\$ -	\$ 50,461,476
Foundation grants and other contributions	2,054,102	-	2,054,102
IOM collection fees	1,757,004	-	1,757,004
Program service fees	1,806,486	-	1,806,486
Investment return	175,122	-	175,122
Member agency dues	211,800	-	211,800
Other revenue	366,309	-	366,309
Net assets released from restrictions	114,722	(114,722)	-
<b>Total revenue and support</b>	<b>56,947,021</b>	<b>(114,722)</b>	<b>56,832,299</b>
<b>Expenses</b>			
<b>Program services</b>			
Refugee Services Division	26,117,256	-	26,117,256
MRD Programs	15,606,740	-	15,606,740
Vermont programs	2,030,454	-	2,030,454
Des Moines programs	1,657,099	-	1,657,099
Erie programs	1,645,741	-	1,645,741
Raleigh programs	1,536,956	-	1,536,956
Cleveland programs	1,286,892	-	1,286,892
Albany programs	1,255,232	-	1,255,232
Legal	868,168	-	868,168
Dearborn programs	755,048	-	755,048
International Organization for Migration	472,956	-	472,956
Rutland Program	67,571	-	67,571
Discovering Homes	25,287	-	25,287
<b>Total program services</b>	<b>53,325,400</b>	<b>-</b>	<b>53,325,400</b>
<b>Supporting services</b>			
Management and general	812,893	-	812,893
Fundraising	415,776	-	415,776
<b>Total supporting services</b>	<b>1,228,669</b>	<b>-</b>	<b>1,228,669</b>
<b>Total expenses</b>	<b>54,554,069</b>	<b>-</b>	<b>54,554,069</b>
<b>Change in net assets</b>	<b>2,392,952</b>	<b>(114,722)</b>	<b>2,278,230</b>
<b>Net assets, beginning of year</b>	<b>9,818,986</b>	<b>176,871</b>	<b>9,995,857</b>
<b>Net assets, end of year</b>	<b>\$ 12,211,938</b>	<b>\$ 62,149</b>	<b>\$ 12,274,087</b>

*See accompanying notes to consolidated financial statements.*



# U.S. Committee for Refugees and Immigrants and Related Entity

## Consolidated Statement of Activities

*Year ended September 30, 2017*

	Unrestricted	Temporarily Restricted		Total
<b>Revenue and support</b>				
Government grants	\$ 73,176,796	\$ -		\$ 73,176,796
Foundation grants and other contributions	1,221,059	320,000		1,541,059
IOM collection fees	1,913,761	-		1,913,761
Program service fees	1,487,865	-		1,487,865
Investment return	501,131	-		501,131
Member agency dues	101,700	-		101,700
Other revenue	125,986	-		125,986
Net assets released from restrictions	643,129	(643,129)		-
<b>Total revenue and support</b>	<b>79,171,427</b>	<b>(323,129)</b>		<b>78,848,298</b>
<b>Expenses</b>				
<b>Program services</b>				
Refugee Services Division	35,952,249	-		35,952,249
MRD Programs	24,851,983	-		24,851,983
Vermont programs	2,634,006	-		2,634,006
Erie programs	2,369,506	-		2,369,506
Raleigh programs	2,230,327	-		2,230,327
Des Moines programs	2,155,273	-		2,155,273
Albany programs	2,059,065	-		2,059,065
Cleveland programs	1,865,486	-		1,865,486
Dearborn programs	1,814,132	-		1,814,132
International Organization for Migration	480,597	-		480,597
Rutland Program	118,568	-		118,568
Discovering Homes	11,044	-		11,044
<b>Total program services</b>	<b>76,542,236</b>	<b>-</b>		<b>76,542,236</b>
<b>Supporting services</b>				
Management and general	1,053,349	-		1,053,349
Fundraising	329,149	-		329,149
<b>Total supporting services</b>	<b>1,382,498</b>	<b>-</b>		<b>1,382,498</b>
<b>Total expenses</b>	<b>77,924,734</b>	<b>-</b>		<b>77,924,734</b>
<b>Change in net assets</b>	<b>1,246,693</b>	<b>(323,129)</b>		<b>923,564</b>
<b>Net assets, beginning of year</b>	<b>8,572,293</b>	<b>500,000</b>		<b>9,072,293</b>
<b>Net assets, end of year</b>	<b>\$ 9,818,986</b>	<b>\$ 176,871</b>		<b>\$ 9,995,857</b>

*See accompanying notes to consolidated financial statements.*

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

**Consolidated Statement of Functional Expenses**

Year ended September 30, 2018	Program Services													Supporting Services			Total	
	Refugee Services Division	MRD Programs	Vermont Programs	Des Moines Programs	Erie Programs	Raleigh Programs	Cleveland Programs	Albany Programs	Legal	Dearborn Programs	International Organization for Migration	Rutland Program	Discovering Homes	Total Program Services	Management and General	Fundraising		Total Supporting Services
Agency / contractual payments	\$ 21,482,716	\$ 13,174,336	\$ 20,423	\$ 1,004	\$ 109,679	\$ -	\$ 11,118	\$ (1,460)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,797,816	\$ -	\$ -	\$ -	\$ 34,797,816
Direct refugee assistance	31,017	-	260,393	456,873	258,518	335,977	257,879	288,769	(294)	172,896	-	-	-	2,062,028	26,689	-	26,689	2,088,717
Salaries	2,273,784	1,119,984	959,217	633,423	661,258	644,789	444,151	581,584	418,131	280,095	205,504	35,203	1,943	8,259,066	2,230,945	286,123	2,517,068	10,776,134
Fringe benefits	494,394	248,778	273,572	170,850	232,218	179,552	114,733	109,544	113,262	103,291	52,244	9,671	-	2,102,109	404,252	64,492	468,744	2,570,853
Occupancy	264,402	179,649	99,989	50,997	28,769	54,893	55,845	48,424	33,112	32,233	7,764	4,398	3,401	863,876	576	6,860	7,436	871,312
Training and staff development	11,217	7,301	98	86	1,521	378	55	49	93	49	18	6	-	20,871	7,696	15	7,711	28,582
Professional fees	61,491	33,317	19,507	22,626	18,143	11,866	71,554	13,599	19,008	7,429	7,617	1,032	-	287,189	463,334	21,178	484,512	771,701
Advertising	1,958	730	101	100	9	668	186	310	381	6	2	1	-	4,452	3,602	1,845	5,447	9,899
Printing and reproduction	34,731	29,597	30,904	10,182	8,738	15,837	21,074	12,071	4,483	6,865	23,711	1,177	-	199,370	59,516	8,934	68,450	267,820
Equipment rental and repair	18,058	9,630	11,478	3,717	10,672	2,008	3,318	9,163	5,249	864	875	21	1,221	76,274	44,351	1,708	46,059	122,333
Telephone and communications	48,675	13,388	21,523	18,637	19,059	22,886	11,496	12,436	8,489	8,917	1,186	1,664	-	188,356	26,917	1,984	28,901	217,257
Postage and shipping	8,596	1,733	1,279	3,020	1,978	2,823	1,584	1,563	6,871	194	61,578	-	-	91,219	11,205	3,648	14,853	106,072
Insurance	22,156	10,056	16,469	11,422	17,584	7,818	10,861	8,538	13,276	4,946	2,081	921	-	126,128	71,583	2,055	73,638	199,766
Travel	147,966	125,970	49,599	31,907	13,759	19,137	34,600	16,616	16,437	4,174	-	1,400	-	461,565	36,632	140	36,772	498,337
Conferences and meetings	90,128	27,735	1,707	2,279	3,886	3,854	1,962	4,032	305	1,702	84	-	-	137,674	20,583	295	20,878	158,552
Bank and finance charges	10,060	-	90	-	786	2	1,577	72	3,022	-	106,853	-	-	122,462	56,208	3,828	60,036	182,498
Provision for bad debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	374,838	-	374,838	374,838
Outside services and consulting	107,437	47,410	12,283	5,367	6,981	8,691	1,206	3,452	10,372	7,881	932	86	-	212,098	54,425	2,419	56,844	268,942
Miscellaneous expenses	797	-	4,611	2,031	47,905	(14,565)	3,114	(14,832)	277	(17,399)	-	-	10,539	22,478	(61,291)	50	(61,241)	(38,763)
Subscriptions and references	-	-	4,236	4,988	3,770	4,689	16,253	2,356	8,733	1,777	2,507	244	88	49,641	74,649	10,202	84,851	134,492
Childcare food	12,386	25,683	-	-	-	-	-	-	-	-	-	-	-	38,069	-	-	-	38,069
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	8,095	8,095	100,747	-	100,747	108,842
<b>Total before overhead allocation</b>	<b>25,121,969</b>	<b>15,055,297</b>	<b>1,787,479</b>	<b>1,429,509</b>	<b>1,445,233</b>	<b>1,301,303</b>	<b>1,062,566</b>	<b>1,096,286</b>	<b>661,207</b>	<b>615,920</b>	<b>472,956</b>	<b>55,824</b>	<b>25,287</b>	<b>50,130,836</b>	<b>4,007,457</b>	<b>415,776</b>	<b>4,423,233</b>	<b>54,554,069</b>
Overhead allocation	995,287	551,443	242,975	227,590	200,508	235,653	224,326	158,946	206,961	139,128	-	11,747	-	3,194,564	(3,194,564)	-	(3,194,564)	-
<b>Total expenses, after overhead allocation</b>	<b>\$ 26,117,256</b>	<b>\$ 15,606,740</b>	<b>\$ 2,030,454</b>	<b>\$ 1,657,099</b>	<b>\$ 1,645,741</b>	<b>\$ 1,536,956</b>	<b>\$ 1,286,892</b>	<b>\$ 1,255,232</b>	<b>\$ 868,168</b>	<b>\$ 755,048</b>	<b>\$ 472,956</b>	<b>\$ 67,571</b>	<b>\$ 25,287</b>	<b>\$ 53,325,400</b>	<b>\$ 812,893</b>	<b>\$ 415,776</b>	<b>\$ 1,228,669</b>	<b>\$ 54,554,069</b>

*See accompanying notes to consolidated financial statements.*

**U. S. Committee for Refugees and Immigrants, Inc. and Related Entity**

**Consolidated Statement of Functional Expenses**

Year ended September 30, 2017	Program Services												Supporting Services			Total	
	Refugee Services Division	MRD Programs	Vermont Programs	Erie Programs	Raleigh Programs	Des Moines Programs	Albany Programs	Cleveland Programs	Dearborn Programs	International Organization for Migration	Rutland Program	Discovering Homes	Total Program Services	Management and General	Fundraising		Total Supporting Services
Agency / contractual payments	\$ 30,078,855	\$ 22,096,406	14,343	\$ 112,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,302,062	-	\$ -	\$ -	\$ 52,302,062
Direct refugee assistance	27,791	-	602,156	601,235	552,794	747,508	688,224	461,031	814,680	-	25,650	-	4,521,069	55,055	-	55,055	4,576,124
Salaries	2,729,146	710,070	973,468	783,545	859,642	715,198	707,431	589,360	457,761	205,504	47,532	-	8,778,657	2,621,109	182,188	2,803,297	11,581,954
Fringe benefits	645,036	144,331	287,912	299,443	282,109	201,177	153,818	178,022	194,747	52,424	7,050	-	2,446,069	680,539	48,488	729,027	3,175,096
Occupancy	464,820	147,437	104,455	26,092	80,519	72,244	70,960	80,941	47,189	36,518	5,869	-	1,137,044	228,579	31,356	259,935	1,396,979
Training and staff development	23,442	960	-	432	160	386	-	-	-	-	-	-	25,380	4,766	-	4,766	30,146
Professional fees	172,926	67,077	27,626	69,203	28,511	21,248	39,984	78,777	10,830	5,311	1,219	-	522,712	357,594	8,046	365,640	888,352
Advertising	1,220	1,545	-	90	1,200	300	270	-	-	-	270	-	4,895	18,215	945	19,160	24,055
Printing and reproduction	67,585	1,028,847	45,394	17,907	15,265	11,042	15,553	17,005	11,380	39,115	9,017	150	1,278,260	132,299	14,896	147,195	1,425,455
Equipment rental and repair	43,853	26,579	1,086	27,438	8,773	10,428	10,450	11,509	280	1,257	1,210	1,810	144,673	42,485	3,081	45,566	190,239
Telephone and communications	61,143	13,939	26,832	19,153	33,025	22,017	17,137	16,649	13,179	2,148	5,958	-	231,180	44,526	2,327	46,853	278,033
Postage and shipping	8,665	1,486	1,608	1,545	3,843	1,753	2,147	1,898	83	40,756	19	-	63,803	11,253	12,574	23,827	87,630
Insurance	35,135	17,164	8,268	20,893	17,281	12,572	9,456	45,276	8,360	1,965	504	-	176,874	25,676	2,273	27,949	204,823
Travel	138,981	103,421	64,276	13,970	42,218	47,217	18,107	46,800	12,141	-	3,935	-	491,066	97,684	3,873	101,557	592,623
Conferences and meetings	3,514	3,805	(2,424)	(2,853)	1,331	682	(2,644)	602	257	196	-	-	2,466	75,020	1,114	76,134	78,600
Bank and finance charges	12,734	-	556	1,026	-	-	(1,104)	3,177	-	99,788	-	53	116,230	59,315	2,733	62,048	178,278
Provision for bad debt	(438)	70,635	258	6,022	(10,036)	(22,445)	(11,737)	9,786	(2,470)	-	-	-	39,575	246,753	-	246,753	286,328
Outside services and consulting	1,080	847	5,446	9,912	579	426	323	11,042	256	897	38	-	30,846	138,664	2,208	140,872	171,718
Miscellaneous expenses	86,719	2,740	9,970	5,998	4,123	4,528	3,159	3,425	5,660	(10,033)	325	262	116,876	(25,323)	718	(24,605)	92,271
Subscriptions and references	52,251	-	2,377	6,972	2,788	3,456	1,718	1,909	1,180	4,751	199	-	77,601	126,241	12,329	138,570	216,171
Childcare food	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	8,769	8,769	139,028	-	139,028	147,797
<b>Total before overhead allocation</b>	<b>34,654,458</b>	<b>24,437,289</b>	<b>2,173,607</b>	<b>2,020,481</b>	<b>1,924,125</b>	<b>1,849,737</b>	<b>1,723,252</b>	<b>1,557,209</b>	<b>1,575,513</b>	<b>480,597</b>	<b>108,795</b>	<b>11,044</b>	<b>72,516,107</b>	<b>5,079,478</b>	<b>329,149</b>	<b>5,408,627</b>	<b>77,924,734</b>
Overhead allocation	1,297,791	414,694	460,399	349,025	306,202	305,536	335,813	308,277	238,619	-	9,773	-	4,026,129	(4,026,129)	-	(4,026,129)	-
<b>Total expenses, after overhead allocation</b>	<b>\$ 35,952,249</b>	<b>\$ 24,851,983</b>	<b>\$ 2,634,006</b>	<b>\$ 2,369,506</b>	<b>\$ 2,230,327</b>	<b>\$ 2,155,273</b>	<b>\$ 2,059,065</b>	<b>\$ 1,865,486</b>	<b>\$ 1,814,132</b>	<b>\$ 480,597</b>	<b>\$ 118,568</b>	<b>\$ 11,044</b>	<b>\$ 76,542,236</b>	<b>\$ 1,053,349</b>	<b>\$ 329,149</b>	<b>\$ 1,382,498</b>	<b>\$ 77,924,734</b>

*See accompanying notes to consolidated financial statements.*

# U.S. Committee for Refugees and Immigrants and Related Entity

## Consolidated Statements of Cash Flows

<i>Years ended September 30,</i>	2018	2017
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,278,230	\$ 923,564
<b>Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization	108,842	147,797
Investment gain	(66,822)	(405,128)
Change in allowance for doubtful accounts	50,440	114,565
Bad debt expense	324,398	171,763
Donated assets	(201,556)	-
<b>(Increase) decrease in assets</b>		
Grants receivable	1,781,901	(2,368,335)
Accounts receivable	531,084	205,525
Prepaid expenses	125,109	15,551
Advances and other assets	29,548	13,310
<b>Increase (decrease) in liabilities</b>		
Accounts payable and accrued expenses	359,539	(171,656)
Grants payable to affiliated agencies	(1,704,328)	980,295
Deferred revenue	(293,857)	(979,665)
IOM liability	(54,984)	128,569
Deferred rent liability	(505,981)	(99,046)
<b>Net cash provided by (used in) operating activities</b>	<b>2,761,563</b>	<b>(1,322,891)</b>
<b>Cash flows from investing activities</b>		
Purchases of investments	(108,243)	(94,969)
Proceeds from sale of investments	35,802	35,817
Purchases of property and equipment	(155,603)	(40,933)
<b>Net cash used in investing activities</b>	<b>(228,044)</b>	<b>(100,085)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,533,519</b>	<b>(1,422,976)</b>
Cash and cash equivalents, beginning of year	3,883,189	5,306,165
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,416,708</b>	<b>\$ 3,883,189</b>

*See accompanying notes to consolidated financial statements.*

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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### 1. Organization and Summary of Significant Accounting Policies

#### *Organization Purpose and Consolidation*

U.S. Committee for Refugees and Immigrants, Inc. is an international, 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. U.S. Committee for Refugees and Immigrants, Inc.'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.

On August 30, 2016, U.S. Committee for Refugees and Immigrants, Inc. acquired all of the assets of International Service Center of Cleveland, Ohio (ISC), a not-for-profit corporation, including its membership interest in Discovering Homes, LLC, an Ohio for-profit limited liability company.

The consolidated financial statements include the accounts of Discovering Homes, LLC and the U.S. Committee for Refugees and Immigrants, Inc. (collectively referred to as USCRI). All significant transactions between the organizations have been eliminated in consolidation.

#### *Basis of Accounting*

The consolidated 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, excluding money market funds held as part of investments.

#### *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 that are expected to be collected within one year are recorded at their net realizable value.

An allowance for doubtful accounts is provided based on management's evaluation of potential uncollectible accounts receivable at year-end. Accounts receivable are written off if reasonable collection efforts prove unsuccessful. All accounts receivable amounts are due within one year.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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### *Investments*

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

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 27.5 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 consolidated statements of activities, to its current fair value.

### *Classification of Net Assets*

The net assets of USCRI are reported as follows:

- Unrestricted 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 for future periods.

### *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 donated assets. 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 consolidated statements of activities as net assets released from restrictions.

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 consolidated statements of financial position.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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USCRI recognizes 25% of International Organization for Migration (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. These federal awarding agencies make periodic site visits and monitor the progress of USCRI's federal programs. USCRI has not been informed of any adjustments as a result of such site visits and 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 consolidated financial statements in conformity 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, 2018 and 2017, substantially all of USCRI's cash and cash equivalents and investments were held at three financial institutions in accounts over FDIC limits. Historically, 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.

USCRI receives a substantial portion of its revenue from the federal government. If a significant reduction in this revenue should occur, it may have a material adverse effect on USCRI's programs. During the years ended September 30, 2018 and 2017, USCRI earned revenue from the federal and state government under government grants of \$50,461,476 and \$73,176,796, which is 89% and 93% of the total revenue and support earned in each of these years, respectively.

These amounts are reflected in government grants in the accompanying consolidated statements of activities.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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### *Recent Accounting Pronouncements*

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update establishes a comprehensive revenue recognition standard for virtually all industries under U.S. 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 2020. Management continues to evaluate the potential impact of this update on USCRI's consolidated 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 2021. Management is currently determining the impact that adoption of this guidance will have on USCRI's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU is effective for USCRI's consolidated financial statements for USCRI's fiscal year 2019. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows*. The update standardizes how certain transactions should be classified in the statement of cash flows. The guidance is effective for USCRI's fiscal year 2020. Presently, management does not anticipate that the adoption of this update will have a material impact on USCRI's consolidated financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. The update also provides a more robust framework for determining whether a contribution is conditional or



# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The guidance is effective for the USCRI's fiscal year 2020. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, *Fair Value Measurement*. The guidance is effective for the USCRI's fiscal year 2021. Presently, management does not anticipate that the adoption of this update will have a material effect on the consolidated financial statements.

### 2. Investments

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

<i>September 30,</i>	2018	2017
Fixed income	\$ 1,824,166	\$ 1,843,602
Equities	2,460,645	2,244,747
Mutual funds	327,399	320,545
Money market funds	242,222	306,275
<b>Total</b>	<b>\$ 4,854,432</b>	<b>\$ 4,715,169</b>

Investment and interest and dividend income consist of the following:

<i>Years Ended September 30,</i>	2018	2017
Interest and dividend income	\$ 108,300	\$ 96,003
Investment gain	66,822	405,128
<b>Total</b>	<b>\$ 175,122</b>	<b>\$ 501,131</b>

Investment expenses were \$35,802 and \$35,817 for the years ended September 30, 2018 and 2017, respectively, and are recorded in the consolidated 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 U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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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.

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.

Fixed income securities, equities, mutual funds and money market funds shown in the following tables are actively traded and are valued at net asset value as of September 30, 2018 and 2017. There was no change in valuation methodologies for years ended September 30, 2018 and 2017.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

The following tables disclose the fair value hierarchy of USCRI's investment assets at fair value as of September 30, 2018 and 2017.

	As of September 30, 2018		
	Level 1	Level 2	Total
Fixed income:			
Corporate bonds	\$ 898,260	\$ -	\$ 898,260
U.S. government obligations	691,841	-	691,841
Municipal securities	234,065	-	234,065
Equities:			
Basic materials	152,326	-	152,326
Communications	168,883	-	168,883
Consumer staples	238,423	-	238,423
Consumer discretionary	264,914	-	264,914
Energy	145,448	-	145,448
Financials	400,682	-	400,682
Health care	281,726	-	281,726
Industrials	321,718	-	321,718
Technology	316,878	-	316,878
Real estate	94,503	-	94,503
Utilities	75,144	-	75,144
Mutual funds - non- traditional	287,905	-	287,905
Mutual funds - fixed income	30,519	-	30,519
Mutual funds - equities	8,975	-	8,975
Money market funds	242,222	-	242,222
<b>Total</b>	<b>\$ 4,854,432</b>	<b>\$ -</b>	<b>\$ 4,854,432</b>

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

	As of September 30, 2017		
	Level 1	Level 2	Total
Fixed income:			
Corporate bonds	\$ 882,815	\$ -	\$ 882,815
U.S. government obligations	668,777	-	668,777
Municipal securities	292,010	-	292,010
Equities:			
Basic materials	136,197	-	136,197
Communications	65,319	-	65,319
Consumer staples	218,888	-	218,888
Consumer discretionary	261,971	-	261,971
Energy	125,079	-	125,079
Financials	411,371	-	411,371
Health care	236,261	-	236,261
Industrials	288,608	-	288,608
Technology	330,112	-	330,112
Real estate	93,114	-	93,114
Utilities	77,827	-	77,827
Mutual funds - non- traditional	270,722	-	270,722
Mutual funds - fixed income	49,823	-	49,823
Money market funds	306,275	-	306,275
<b>Total</b>	<b>\$ 4,715,169</b>	<b>\$ -</b>	<b>\$ 4,715,169</b>

USCRI had no level 3 assets or liabilities for the years ended September 30, 2018 and 2017.

#### 4. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following at:

<i>September 30,</i>	2018	2017
Democracy Fund	\$ -	\$ 82,153
LDS Church	62,149	94,718
	<b>\$ 62,149</b>	<b>\$ 176,871</b>

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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### 5. Property and Equipment

USCRI held the following property and equipment at:

<i>September 30,</i>	2018	2017
Building and improvements	\$ 1,066,952	\$ 974,512
Furniture and equipment	749,536	495,517
Vehicles	119,428	119,428
Leasehold improvements	409,866	409,866
Land	120,550	109,850
Total property and equipment	2,466,332	2,109,173
Less: accumulated depreciation and amortization	(1,315,150)	(1,206,308)
Property and equipment, net	\$ 1,151,182	\$ 902,865

Depreciation and amortization expense for the years ended September 30, 2018 and 2017 was \$108,842 and \$147,797, respectively.

### 6. Commitments and Contingencies

#### *Lease commitments*

USCRI is committed under leases for office space that expire at various times through October 31, 2030.

In December 2017, USCRI extended their lease with the landlord for the headquarters location through October 31, 2030. This lease included rent abatements recorded as deferred rent liability in the consolidated statements of financial position. In addition, the lease has stated rent escalations and the effect of this has also been recorded as a deferred rent liability which is amortized over the lease term. As a security deposit, USCRI obtained a letter of credit for the benefit of the landlord amounting to \$43,249. No amounts were drawn against the letter of credit during 2018 and 2017. Total rental expense was \$871,312 and \$1,396,979 for years ended September 30, 2018 and 2017, respectively.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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

*Years ending September 30,*

2019	\$	851,424
2020		957,011
2021		874,821
2022		791,419
2023		733,608
Thereafter		5,346,130
<b>Total</b>	<b>\$</b>	<b>9,554,413</b>

### *Contingencies*

The Reception and Placement (R&P) program funding is awarded annually. It is based on the annual Presidential Determination for refugee admission and proposed projection for Special Immigrant Visa (SIV) holders. The FY 2019 refugee admission projection is 30,000 refugees and 10,000 SIV arrivals for a total of 40,000. Of this, USCRI is approved to resettle 5,841 refugees and SIVs. As of May 9, 2019, USCRI has resettled 2,899 refugee and SIV clients, representing 50 percent of USCRI's approved projected resettlements.

### 7. 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, 2018 and 2017 was \$3,166,739 and \$4,871,067, respectively, and is payable within one year.

### 8. 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. Effective July 2017, the Plan was amended and the USCRI's contributions were reduced to 5% of each participant's compensation. The Plan was also amended in July 2017 to stop USCRI's safe harbor contributions from August 2017 to December 2017. Pension expense for the years ended September 30, 2018 and 2017 totals \$293,702 and \$828,120, respectively, and is included in fringe benefits in the accompanying consolidated statements of functional expenses.

### 9. 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, 2018 and 2017, no provision for income taxes has been made, as USCRI had no net unrelated business income.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

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Discovering Homes, LLC is a single-member limited liability company. For tax purposes, a single member limited liability company is disregarded as an entity separate from its owner, absent an election otherwise. Activities of a single-member limited liability company are therefore treated as a division of the sole member, USCRI. The activities of Discovering Homes, LLC are consistent with the mission of USCRI and its activities are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Under 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, 2018 and 2017, there were no interest or penalties recorded or included in the consolidated statements of activities. USCRI is still open to examination by taxing authorities from 2015 forward.

### 10. Subsequent Events

In 2019 USCRI plans to open a residential care facility in Lake Worth, Florida for unaccompanied minor children. The facility includes a dining room, living room, library, private visitation/phone space, 66 bedrooms, and multiple offices and private counseling/clinic spaces. The structure is situated on one floor, making it easily accessible to people with disabilities. USCRI has signed a three year lease commitment with the option to cancel the lease on a yearly basis if government funding ends.

USCRI evaluated subsequent events through May 21, 2019, which is the date the consolidated financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in these consolidated financial statements, except as noted above.