



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

**Consolidated Financial Statements and
Supplementary Information**

For the Years Ended September 30, 2022 and 2021



**and
Report Thereon**



U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the U.S. Committee for Refugees and Immigrants, Inc. and Related Entity (collectively referred to as USCRI), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of USCRI as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USCRI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about USCRI's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USCRI's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USCRI's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidated schedule of program related and indirect expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marcum LLP

Washington, DC
April 5, 2023

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 14,957,983	\$ 10,701,014
Restricted cash	8,587,932	7,523,544
Grants receivable	22,134,171	46,939,089
Accounts receivable, net of allowance for uncollectible accounts of \$675,216 in 2022 and \$674,319 in 2021	1,456,486	716,978
Investments	5,684,725	6,682,939
Prepaid expenses	602,572	576,670
Advances and other assets	<u>74,024</u>	<u>77,213</u>
Total Current Assets	53,497,893	73,217,447
Noncurrent Assets		
Property and equipment, net	<u>626,786</u>	<u>754,373</u>
TOTAL ASSETS	<u>\$ 54,124,679</u>	<u>\$ 73,971,820</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts payable and accrued expenses	\$ 3,007,583	\$ 2,174,901
Grants payable to affiliated agencies	14,602,370	44,401,533
Refundable advances – foundation grants	455,542	1,102,453
Government contract liabilities	1,975,275	624,862
IOM liability	145,194	188,928
Deferred rent	154,698	86,144
Refundable advances – government	<u>9,455,104</u>	<u>7,523,544</u>
TOTAL LIABILITIES	<u>29,795,766</u>	<u>56,102,365</u>
Net Assets		
Without donor restrictions	19,142,407	17,329,881
With donor restrictions	<u>5,186,506</u>	<u>539,574</u>
TOTAL NET ASSETS	<u>24,328,913</u>	<u>17,869,455</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 54,124,679</u>	<u>\$ 73,971,820</u>

The accompanying notes are an integral part of these consolidated financial statements.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended September 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT						
Government grants	\$255,746,763	\$ -	\$255,746,763	\$ 115,276,662	\$ -	\$ 115,276,662
Foundation grants and other contributions	7,041,190	5,609,992	12,651,182	3,832,455	511,527	4,343,982
Government contracts	8,579,529	-	8,579,529	1,716,501	-	1,716,501
In-kind contributions	2,311,046	-	2,311,046	-	-	-
Program and other fees	1,182,853	-	1,182,853	1,034,938	-	1,034,938
Other revenue	673,682	-	673,682	484,347	-	484,347
IOM collection fees	670,195	-	670,195	948,182	-	948,182
Member agency dues	127,000	-	127,000	114,500	-	114,500
Forgiveness of PPP loan payable	-	-	-	364,795	-	364,795
Investment income (loss), net of fees	(1,025,036)	-	(1,025,036)	473,312	-	473,312
Net asset released from restrictions:						
Satisfaction of purpose restrictions	963,060	(963,060)	-	685	(685)	-
TOTAL REVENUE AND SUPPORT	276,270,282	4,646,932	280,917,214	124,246,377	510,842	124,757,219
EXPENSES						
Program Services:						
Medical Replacement						
Designee programs	140,980,733	-	140,980,733	62,943,296	-	62,943,296
Refugee Services Division	67,188,130	-	67,188,130	17,584,117	-	17,584,117
Center for Refugees and Immigrant Children	39,226,936	-	39,226,936	26,104,625	-	26,104,625
Erie programs	3,135,724	-	3,135,724	1,578,467	-	1,578,467
Raleigh programs	3,080,918	-	3,080,918	1,211,068	-	1,211,068
Vermont programs	2,853,877	-	2,853,877	1,696,271	-	1,696,271
Cleveland programs	2,677,506	-	2,677,506	854,249	-	854,249
Albany programs	2,621,187	-	2,621,187	1,142,995	-	1,142,995
Des Moines programs	2,321,945	-	2,321,945	934,247	-	934,247
Legal	1,535,282	-	1,535,282	1,207,275	-	1,207,275
Dearborn programs	1,312,372	-	1,312,372	596,246	-	596,246
International Organization for Migration	287,976	-	287,976	343,747	-	343,747
Discovering Homes	111,473	-	111,473	70,440	-	70,440
Other field offices	32,238	-	32,238	-	-	-
Total Program Services	267,366,297	-	267,366,297	116,267,043	-	116,267,043
Supporting Services:						
Management and general	6,400,812	-	6,400,812	5,269,636	-	5,269,636
Fundraising	690,647	-	690,647	303,696	-	303,696
Total Supporting Services	7,091,459	-	7,091,459	5,573,332	-	5,573,332
TOTAL EXPENSES	274,457,756	-	274,457,756	121,840,375	-	121,840,375
CHANGE IN NET ASSETS	1,812,526	4,646,932	6,459,458	2,406,002	510,842	2,916,844
NET ASSETS, BEGINNING OF YEAR	17,329,881	539,574	17,869,455	14,923,879	28,732	14,952,611
NET ASSETS, END OF YEAR	<u>\$ 19,142,407</u>	<u>\$ 5,186,506</u>	<u>\$ 24,328,913</u>	<u>\$ 17,329,881</u>	<u>\$ 539,574</u>	<u>\$ 17,869,455</u>

The accompanying notes are an integral part of these consolidated financial statements.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2022**

	Program Services									
	Medical Replacement Designee Programs	Refugee Services Division	Center For Refugees and Immigrant Children	Erie Programs	Raleigh Programs	Vermont Programs	Cleveland Programs	Albany Programs	Des Moines Programs	Legal
Agency/contractual payments	\$ 131,648,985	\$ 56,684,428	\$ 14,974,919	\$ 370,399	\$ 3,787	\$ 26,965	\$ 43,380	\$ -	\$ 13,269	\$ -
Salaries and wages	4,524,093	1,444,540	13,192,908	832,340	1,012,823	1,472,155	812,608	1,059,917	593,880	952,611
Direct refugee assistance	3,117,642	6,497,522	3,309,239	1,229,364	1,302,277	528,985	1,310,266	1,107,029	1,188,103	34,314
Fringe benefits	626,092	332,873	3,607,747	355,044	267,197	344,125	150,473	187,090	172,577	230,571
Occupancy	199,088	203,672	1,884,218	29,114	99,858	107,245	47,959	88,043	67,996	127,750
Donated housing and supplies	-	1,791,753	-	124,241	156,332	127,722	26,874	15,701	53,873	-
Professional fees	680,721	77,851	334,786	33,330	106,677	47,033	81,638	40,786	36,439	54,404
Equipment rental and repair	43,941	35,502	451,378	108,050	44,096	107,494	143,513	42,541	156,624	65,624
Insurance	12,197	12,814	594,257	16,459	12,666	12,713	20,343	21,131	7,600	20,442
Outside services and consulting	64,314	56,946	221,941	1,830	1,458	3,276	1,589	1,071	701	3,396
Telephone and communications	14,571	16,131	202,264	19,725	18,646	20,270	15,302	16,652	16,475	12,916
Travel	7,387	2,495	96,234	898	33,165	32,730	3,491	32,891	3,476	3,206
Training and staff development	17,195	929	129,515	279	493	1,801	4,076	578	150	60
Postage and shipping	14,570	3,078	74,626	2,107	2,466	4,843	2,202	1,404	1,902	9,966
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Subscriptions and references	7,210	16,037	33,107	5,490	2,496	2,133	3,293	2,886	2,492	12,553
Bank charges	-	30	-	224	-	20	964	450	402	2,896
Conferences and meetings	2,054	6,927	26,326	1,134	14,601	3,325	2,870	406	3,355	2,281
Printing and reproduction	673	1,478	29,948	3,268	1,544	6,222	3,337	2,611	2,328	2,276
Miscellaneous expenses	-	-	53,434	2,428	38	341	3,328	-	-	16
Loss on disposal	-	-	-	-	-	-	-	-	-	-
Advertising	-	3,124	10,089	-	298	4,479	-	-	303	-
TOTAL EXPENSES	\$ 140,980,733	\$ 67,188,130	\$ 39,226,936	\$ 3,135,724	\$ 3,080,918	\$ 2,853,877	\$ 2,677,506	\$ 2,621,187	\$ 2,321,945	\$ 1,535,282

	Program Services (continued)				Supporting Services				
	Dearborn Programs	International Organization for Migration	Discovering Homes	Other Field Offices	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Agency/contractual payments	\$ -	\$ -	\$ -	\$ -	\$ 203,766,132	\$ -	\$ -	\$ -	\$ 203,766,132
Salaries and wages	278,158	124,617	-	24,043	26,324,693	3,923,506	438,521	4,362,027	30,686,720
Direct refugee assistance	840,188	666	-	6	20,465,601	104,913	-	104,913	20,570,514
Fringe benefits	97,348	32,755	-	2,066	6,405,958	974,047	112,519	1,086,566	7,492,524
Occupancy	51,828	14,652	14,565	-	2,935,988	401,714	35,872	437,586	3,373,574
Donated housing and supplies	12,350	-	-	-	2,308,846	-	2,200	2,200	2,311,046
Professional fees	3,628	8,805	2,000	-	1,508,098	306,974	41,665	348,639	1,856,737
Equipment rental and repair	8,001	442	13,753	4,509	1,225,468	57,495	2,604	60,099	1,285,567
Insurance	5,612	956	6,382	-	743,572	84,572	4,531	89,103	832,675
Outside services and consulting	378	12,805	-	-	369,705	163,741	3,684	167,425	537,130
Telephone and communications	11,475	1,093	-	411	365,931	37,405	5,236	42,641	408,572
Travel	-	78	-	-	216,051	38,459	1,194	39,653	255,704
Training and staff development	-	-	-	-	155,076	7,878	-	7,878	162,954
Postage and shipping	296	18,123	-	296	135,879	16,828	539	17,367	153,246
Depreciation and amortization	-	-	8,095	-	8,095	144,824	-	144,824	152,919
Subscriptions and references	2,383	3,124	-	-	93,204	43,989	4,619	48,608	141,812
Bank charges	-	61,309	25	907	67,227	41,613	17,251	58,864	126,091
Conferences and meetings	727	3	-	-	64,009	38,996	323	39,319	103,328
Printing and reproduction	-	8,548	203	-	62,436	5,558	15,916	21,474	83,910
Miscellaneous expenses	-	-	13,855	-	73,440	556	2,322	2,878	76,318
Loss on disposal	-	-	52,595	-	52,595	-	-	-	52,595
Advertising	-	-	-	-	18,293	7,744	1,651	9,395	27,688
TOTAL EXPENSES	\$ 1,312,372	\$ 287,976	\$ 111,473	\$ 32,238	\$ 267,366,297	\$ 6,400,812	\$ 690,647	\$ 7,091,459	\$ 274,457,756

The accompanying notes are an integral part of these consolidated financial statements.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2021**

	Program Services									
	Medical Replacement Designee Programs	Refugee Services Division	Center for Refugees and Immigrant Children	Erie Programs	Raleigh Programs	Vermont Programs	Cleveland Programs	Albany Programs	Des Moines Programs	Legal
Agency/contractual payments	\$ 60,411,823	\$ 14,732,248	\$ 9,479,001	\$ 145,149	\$ 963	\$ -	\$ -	\$ -	\$ 44,620	\$ -
Salaries and wages	1,070,058	1,345,642	8,350,707	703,302	585,420	1,023,746	392,377	612,869	391,888	757,247
Direct refugee assistance	790,214	780,188	2,138,563	176,366	316,211	152,916	183,522	198,983	214,347	11,658
Fringe benefits	288,217	366,275	2,668,495	354,926	182,673	277,731	97,298	142,745	146,414	221,369
Occupancy	167,154	166,509	1,747,119	26,410	58,765	85,300	27,093	47,605	63,440	88,026
Professional fees	49,790	45,886	218,223	25,292	23,104	38,765	67,190	20,977	11,164	45,165
Equipment rental and repair	26,780	15,813	492,933	83,200	12,377	72,607	60,294	56,475	28,602	12,891
Insurance	16,291	26,094	525,976	30,975	13,799	12,597	9,816	12,369	9,033	33,909
Outside services and consulting	100,196	55,562	83,850	102	1,493	3,734	1,614	244	61	82
Telephone and communications	11,449	17,252	164,107	19,007	9,207	14,768	8,425	29,599	13,457	11,080
Travel	-	10,461	47,880	43	2,063	22	170	8,258	2,230	92
Training and staff development	843	315	16,493	125	111	-	218	960	63	143
Postage and shipping	2,011	2,630	61,509	1,029	1,941	2,945	867	2,240	1,278	10,314
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Subscriptions and references	1,754	15,773	8,021	5,860	407	368	701	1,386	2,976	8,671
Bank charges	-	-	-	19	-	23	529	-	-	4,142
Conferences and meetings	3,001	3,059	7,384	146	2,296	403	178	-	3,241	125
Printing and reproduction	3,500	305	19,229	112	23	4,149	112	1,439	915	1,316
Miscellaneous expenses	7	-	66,804	2,279	-	299	3,661	-	202	-
Advertising	208	105	8,331	4,125	215	5,898	184	6,846	316	1,045
TOTAL EXPENSES	\$ 62,943,296	\$ 17,584,117	\$ 26,104,625	\$ 1,578,467	\$ 1,211,068	\$ 1,696,271	\$ 854,249	\$ 1,142,995	\$ 934,247	\$ 1,207,275

	Program Services (continued)				Supporting Services			
	Dearborn Programs	International Organization for Migration	Discovering Homes	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Agency/contractual payments	\$ -	\$ -	\$ -	\$ 84,813,804	\$ -	\$ -	\$ -	\$ 84,813,804
Salaries and wages	239,766	134,760	-	15,607,782	3,276,399	143,471	3,419,870	19,027,652
Direct refugee assistance	196,665	-	-	5,159,633	43,428	292	43,720	5,203,353
Fringe benefits	93,402	49,069	-	4,888,614	935,673	20,059	955,732	5,844,346
Occupancy	29,237	16,806	32,900	2,556,364	241,310	44,766	286,076	2,842,440
Professional fees	5,437	11,485	-	562,478	208,998	22,306	231,304	793,782
Equipment rental and repair	12,004	826	18,156	892,958	69,130	7,157	76,287	969,245
Insurance	4,692	2,342	11,110	709,003	75,696	12,070	87,766	796,769
Outside services and consulting	25	11,944	-	258,907	106,440	7,210	113,650	372,557
Telephone and communications	8,846	1,460	-	308,657	25,694	8,325	34,019	342,676
Travel	72	-	-	71,291	10,739	39	10,778	82,069
Training and staff development	-	-	-	19,271	951	599	1,550	20,821
Postage and shipping	495	26,853	-	114,112	11,941	7,047	18,988	133,100
Depreciation and amortization	-	-	8,095	8,095	122,146	-	122,146	130,241
Subscriptions and references	177	67	-	46,161	17,992	2,781	20,773	66,934
Bank charges	-	75,610	-	80,323	42,698	11,149	53,847	134,170
Conferences and meetings	126	5	-	19,964	11,825	888	12,713	32,677
Printing and reproduction	5,084	12,520	179	48,883	2,907	10,082	12,989	61,872
Miscellaneous expenses	-	-	-	73,252	36,337	-	36,337	109,589
Advertising	218	-	-	27,491	29,332	5,455	34,787	62,278
TOTAL EXPENSES	\$ 596,246	\$ 343,747	\$ 70,440	\$ 116,267,043	\$ 5,269,636	\$ 303,696	\$ 5,573,332	\$ 121,840,375

The accompanying notes are an integral part of these consolidated financial statements.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 6,459,458	\$ 2,916,844
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	152,919	130,241
Loss on disposal of property and equipment	52,595	-
Realized and unrealized losses (gains) on investments	1,113,099	(428,467)
Provision for doubtful accounts	897	217,264
Forgiveness of PPP loan payable	-	(364,795)
Changes in operating assets and liabilities:		
Grants receivable	24,804,918	(40,124,839)
Accounts receivable	(740,405)	(599,781)
Prepaid expenses	(25,902)	(276,492)
Advances and other assets	3,189	5,305
Accounts payable and accrued expenses	832,682	237,260
Grants payable to affiliated agencies	(29,799,163)	39,957,314
Refundable advances – foundation grants	(646,911)	(278,769)
Government contract liabilities	1,350,413	408,140
IOM liability	(43,734)	(41,838)
Deferred rent	68,554	(83,313)
Refundable advances – government	1,931,560	2,011,337
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,514,169</u>	<u>3,685,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(9,809,590)	(221,221)
Proceeds from sale of investments	9,694,705	128,200
Proceeds from sales of property and equipment	15,286	-
Purchase of property and equipment	<u>(93,213)</u>	<u>(66,689)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(192,812)</u>	<u>(159,710)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	5,321,357	3,525,701
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>18,224,558</u>	<u>14,698,857</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 23,545,915</u>	<u>\$ 18,224,558</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AS REPORTED ON THE STATEMENT OF FINANCIAL POSITION		
Cash and cash equivalents	\$ 14,957,983	\$ 10,701,014
Restricted cash	<u>8,587,932</u>	<u>7,523,544</u>
TOTAL CASH, CASH EQUIVALENTS AND RESTRICTED CASH	<u>\$ 23,545,915</u>	<u>\$ 18,224,558</u>
NONCASH FINANCING ACTIVITIES		
Forgiveness of PPP loan payable	<u>\$ -</u>	<u>\$ 364,795</u>

The accompanying notes are an integral part of these consolidated financial statements.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended September 30, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies

Organization

The 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. The 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, the U.S. Committee for Refugees and Immigrants, Inc. acquired all of the assets of the International Service Center of Cleveland, Ohio (ISC), a not-for-profit corporation, including its one hundred percent membership interest in Discovering Homes, LLC, an Ohio for-profit limited liability company. With the acquisition of ISC the entity was dissolved and Discovering Homes, LLC became a direct subsidiary to USCRI.

Principles of Consolidation

The consolidated financial statements include the accounts of Discovering Homes, LLC and the U.S. Committee for Refugees and Immigrants, Inc. (collectively USCRI). All 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). Accordingly, revenue is recognized when earned and expenses are recorded when the obligation is incurred.

Cash, Cash Equivalents and Restricted Cash

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

Restricted cash consists of funds forwarded to USCRI by the U.S. Department of Health and Human Services (HHS), Office of Refugee Resettlement (ORR), for use in the Medical Replacement Designee program.

Grants and Accounts Receivable

Grants receivable consist of amounts due under grants with the federal government. Accounts receivable represent amounts due from customers in the delivery of services. Grants and accounts receivable are expected to be collected within one year and have been recorded at their net realizable value.

An allowance for doubtful accounts receivable balances is provided based on management's evaluation of potential uncollectible accounts at year end. The allowance is based on experience, as well as management's analysis of specific trends, including factors such as prior collection history. All grants receivable are considered fully collectible.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Years Ended September 30, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies (continued)

Investments

Investments include equity funds, fixed income securities, mutual funds and money funds. These investments are recorded in the accompanying statements of financial position at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales are recorded on a trade-date basis. Unrealized gains or losses on investments are determined by the change in fair value at the beginning and end of the reporting period and are included in investment income (loss), net of fees in the accompanying consolidated statements of activities.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements. The estimated useful lives, by classes of assets, are as follows:

	<u>Estimated Useful Lives</u>
Buildings and improvements	5 – 27.5 years
Furniture and equipment	5 – 7 years
Leasehold improvements	5 – 15 years
Vehicles	3 – 7 years

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 and support or expenses.

Impairment of Long-Lived Assets

USCRI reviews its property for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. When considered impaired, the carrying amount of the asset is reduced and an impairment loss is recognized in the consolidated statements of activities. There was no impairment loss recognized as of September 30, 2022 or 2021.

Refundable Advances – Government

USCRI receives funds from a federal grant from ORR that are held to cover health insurance costs incurred by refugees under the Medical Replacement Designee program. Such health insurance is administered by a third-party administrator. At September 30, 2022 and 2021, \$8,587,932 and \$7,523,544, respectively, of refundable advances – government reported on the consolidated statements of financial position represent amounts held in excess of actual costs incurred and are due back to the federal government or are to be used to offset future program needs. Refundable advances as September 30, 2022 also represents \$867,172 of funds drawn down in advance of expenditures.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

1. Organization and Summary of Significant Accounting Policies (continued)

Classification of Net Assets

USCRI's net assets are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the organization at the discretion of USCRI's management and the Board of Directors.
- Net assets with donor restrictions represent funds that are specifically restricted by donors for use in various programs and/or for a specific period of time. These donor restrictions can be temporary in nature in that they will be met by actions of USCRI or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of September 30, 2022 and 2021, USCRI had no net assets with donor restrictions that are required to be maintained in perpetuity.

Revenue and Support

Government Grants

USCRI has grants with United States government and state agencies. Under Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, these grants are considered contributions, as the donor does not receive commensurate value for the consideration received by USCRI. Instead, the benefit is received by the general public. USCRI's management has concluded that these agreements are conditional in nature, due to the terms of the agreements, including rights of return/release and barriers to the entitlement to funds. Revenue from these conditional grants is recognized when the conditions have been satisfied. Because the nature of the conditions is either based on incurring qualifying expenses or satisfying a milestone or other deliverable, the pattern of revenue recognition remains consistent each year. USCRI records a refundable advance liability when funds are received in advance of the satisfaction of the conditions within these agreements. Amounts earned, based on satisfying the underlying conditions, but not yet collected are reflected as grants receivable in the accompanying statements of financial position. Additionally, as of September 30, 2022 and 2021, USCRI had not yet recognized \$75,467,271 and \$22,096,307, respectively, under conditional government grants.

Foundation Grants and Other Contributions

Unconditional foundation grants and other contributions are recognized as revenue and support in the year in which payments are received and/or unconditional promises to give are made. Foundation grants and other contributions are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is designated for a future period or is restricted by the donor for specific purposes are reported as contributions with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue and Support (continued)

Foundation Grants and Other Contributions (continued)

assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Contributions with donor restrictions that are used for the purposes specified by the donor in the same year as the contribution is received are recognized as contributions without donor restrictions.

Contributions are reported at fair value, which is net of estimated uncollectible amounts. Contributions to be received after one year, are recorded at the present value of the estimated future cash flows. Subsequent changes in the discount resulting from the passage of time are accounted for as contributions in subsequent years.

Conditional promises to give, including those received under multi-year grant agreements, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before USCRI is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor's obligation to honor the promise. Amounts received but not yet earned, as the underlying conditions have not yet been satisfied, are reflected as refundable advances in the accompanying consolidated statements of financial position. As of September 30, 2022 and 2021, USCRI had not yet recognized amounts conditional foundation grants totaling \$2,455,539 and \$4,114,767, respectively.

In-Kind Contributions

Generally, in-kind contributions received are utilized in USCRI's programs within the same year as they are donated. The related amounts recognized as in-kind contributions in the accompanying consolidated statement of activities and reported as in-kind expense are under the Refugee Services, North Carolina, Vermont, New York, Dearborn, Eric, Iowa and Ohio programs in the accompanying consolidated statement of functional expenses.

Program and Other Fees

USCRI provides interpretation, translation and loan services to refugees and other organizations serving refugees. The fees are recognized at the point in time the services are rendered.

Other Revenue

Other revenue includes contracted services with other refugee service organizations and childcare services, including education, before and after school care and food programs. USCRI records this revenue at the point in time that the services are delivered to the customers.

IOM Collection Fees

USCRI administers the International Organization for Migration (IOM) program on behalf of the U.S. Department of State and receives an administrative fee of 25% of the loan value. The program is designed to provide low interest loans to refugees in order to organize their travel to the United States. The administrative fee is recognized at the point in time that the loan repayments are collected.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

1. Organization and Summary of Significant Accounting Policies (continued)

Revenue and Support (continued)

Government Contracts

USCRI has contracts with U.S. government agencies in exchange for services. Revenue from these contracts is recognized over the period of time that services are delivered. Amounts received under contracts for which revenue has not yet been recognized are reflected as government contract liabilities in the accompanying consolidated statements of financial position. USCRI had no accounts receivable amounts related to the government grants as of September 30, 2022 and 2021 and 2020.

Member Agency Dues

USCRI has a network of partners who have met certain Partner Agency Stability Standards (PASS). PASS members are charged an annual fee to join the network and must continue to meet the standards to remain in the program. The membership fee is based on the partners' overall revenue and is recognized at the point in time when the member obtains the PASS certification.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been presented on a functional basis in the accompanying consolidated statements of activities and functional expenses. Accordingly, certain costs such as supplies, insurance, occupancy, equipment, telephone, and other various management and general expenses, have been allocated among the programs and supporting services benefited. These costs are allocated to program services using square footage or direct labor as a base.

Fringe benefits consist of health insurance, life insurance, pension and payroll taxes. The fringe benefit rate is the ratio of total fringe benefits to total salaries which is first applied to direct salaries charged to program services and then to salaries included in management and general and fundraising costs.

Use of Estimates

The preparation of the 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.

New Accounting Pronouncements

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard is intended to increase the transparency of contributed nonfinancial assets by requiring donated amounts to be shown separately on the consolidated statement of activities and enhancing disclosures surrounding the measurement and use of contributed nonfinancial assets as well as

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021

1. Organization and Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

a description of any donor-imposed restrictions associated with contributed non-financial assets. Accordingly, USCRI has included its accounting policy as described in Note 1 to the consolidated financial statements and provided additional information about the types of non-financial assets in Note 10.

Accounting Pronouncement to be Adopted

In February 2016, FASB issued Accounting Standards Codification (ASC) 842, *Leases* (ASC 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under ASC 842, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. ASC 842 is effective for USCRI for fiscal year beginning October 1, 2022. A modified retrospective transition approach is acceptable for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. USCRI is currently evaluating the impact of ASC 842 on its financial statements.

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses – (Topic 326)*. This ASU replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance applies to loans, accounts receivable, trade receivables and other financial assets measured at amortized costs, loan commitments, debt securities and beneficial interests in securitized financial assets, but the effect on the USCRI is projected to be limited to accounts and grants receivable. The guidance will be effective for the fiscal year beginning after December 15, 2022, including interim periods within that year. USCRI is currently evaluating the impact this ASU will have on its financial statements.

2. Liquidity and Availability of Resources

USCRI regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. Financial assets available for general expenditures, that is, without donor restrictions limiting their use, within one year of the consolidated statements of financial position dates consist of the following at September 30:

	<u>2022</u>	<u>2021</u>
Financial assets available at year-end:		
Cash and cash equivalents	\$ 14,957,983	\$ 10,701,014
Grants receivable	22,134,171	46,939,089
Accounts receivable, net of allowance	1,456,486	716,978
Investments	<u>5,684,725</u>	<u>6,682,939</u>
Total Financial Assets		
Available Within One Year	44,233,365	65,045,020

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

2. Liquidity and Availability of Resources (continued)

	<u>2022</u>	<u>2021</u>
<i>(continued)</i>		
Less: Amounts unavailable for general expenditures within one year due:		
Board designated for operating reserve	\$ (5,684,725)	\$ (6,862,939)
Net assets with purpose restrictions	<u>(5,186,506)</u>	<u>(539,574)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 33,362,134</u>	<u>\$ 57,822,507</u>

USCRI regularly monitors liquidity required to meet its operating needs and other contractual commitments within one year of the consolidated financial position date for general expenditures without donor or other restrictions limiting their use. USCRI maintains sufficient resources to fund its operations, which includes its investment accounts that are subject to board approval before the funds are able to be utilized.

3. Investments

Investments, at fair value, consisted of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Equity funds	\$ 2,531,950	2,632,132
Fixed income securities	2,098,409	3,223,558
Mutual funds	530,855	366,023
Money funds	<u>523,511</u>	<u>461,226</u>
Total Investments	<u>\$ 5,684,725</u>	<u>\$ 6,682,939</u>

Investment income consisted of the following for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 125,447	\$ 110,460
Net realized and unrealized gains (losses)	(1,113,099)	428,467
Investment management fees	<u>(37,384)</u>	<u>(65,615)</u>
Investment Income (Loss), Net	<u>\$ (1,025,036)</u>	<u>\$ 473,312</u>

4. Fair Value Measurements

USCRI follows the provisions of FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements*, 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
For the Years Ended September 30, 2022 and 2021

4. Fair Value Measurements (continued)

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.
- 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.

As of and for the years ended September 30, 2022 and 2020, USCRI’s investments were measured at fair value on a recurring basis and subject to the disclosure requirements of FASB ASC Topic 820.

The following tables disclose USCRI’s assets measured at fair value on a recurring basis as of September 30, 2022:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets:				
Investments:				
Equity funds:				
Technology	\$ 481,556	\$ 481,556	\$ -	\$ -
Financials	389,059	389,059	-	-
Health care	370,543	370,543	-	-

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021

4. Fair Value Measurements (continued)

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets (continued):				
Investments (continued):				
Equity funds (continued):				
Industrials	\$ 320,412	\$ 320,412	\$ -	\$ -
Consumer staples	258,805	258,805	-	-
Consumer discretionary	250,517	250,517	-	-
Communication	115,101	115,101	-	-
Basic materials	107,882	107,882	-	-
Utilities	78,977	78,977	-	-
Energy	98,210	98,210	-	-
Real estate	<u>60,888</u>	<u>60,888</u>	-	-
Total Equity Funds	<u>2,531,950</u>	<u>2,531,950</u>	<u>-</u>	<u>-</u>
Fixed income securities:				
U.S. government obligations	1,701,991	-	1,701,991	-
Municipal securities	<u>396,418</u>	<u>-</u>	<u>396,418</u>	<u>-</u>
Total Fixed Income Securities	<u>2,098,409</u>	<u>-</u>	<u>2,098,409</u>	<u>-</u>
Mutual funds:				
Non-traditional	530,855	530,855	-	-
Money funds	<u>523,511</u>	<u>523,511</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	<u>\$ 5,684,725</u>	<u>\$ 3,586,316</u>	<u>\$ 2,098,409</u>	<u>\$ -</u>

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021

4. Fair Value Measurements (continued)

The following tables disclose USCRI's assets measured at fair value on a recurring basis as of September 30, 2021:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets:				
Investments:				
Equity funds:				
Technology	\$ 547,226	\$ 547,226	\$ -	\$ -
Health care	383,430	383,430	-	-
Financials	337,813	337,813	-	-
Communication	267,779	267,779	-	-
Industrials	265,906	265,906	-	-
Consumer discretionary	254,360	254,360	-	-
Consumer staples	245,103	245,103	-	-
Utilities	121,635	121,635	-	-
Basic materials	86,213	86,213	-	-
Real estate	78,270	78,270	-	-
Energy	<u>44,397</u>	<u>44,397</u>	-	-
Total Equity Funds	<u>2,632,132</u>	<u>2,632,132</u>	-	-
Fixed income securities:				
U.S. government obligations	2,193,260	-	2,193,260	-
Corporate bonds	648,122	-	648,122	-
Municipal securities	<u>382,176</u>	-	<u>382,176</u>	-
Total Fixed Income Securities	<u>3,223,558</u>	-	<u>3,223,558</u>	-
Mutual funds:				
Non-traditional	366,023	366,023	-	-
Money funds	<u>461,226</u>	<u>461,226</u>	-	-
Total Investments Measured at Fair Value	<u>6,682,939</u>	<u>\$ 3,459,381</u>	<u>\$ 3,223,558</u>	<u>\$ -</u>

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

5. Property and Equipment

Property and equipment consisted of the following as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 1,012,852	\$ 1,067,452
Furniture and equipment	750,520	750,520
Leasehold improvements	414,265	414,265
Vehicles	246,721	186,119
Land	<u>96,950</u>	<u>120,550</u>
Total Property and Equipment	2,521,308	2,538,905
Less: Accumulated depreciation and amortization	<u>(1,894,522)</u>	<u>(1,784,532)</u>
Property and Equipment, Net	<u>\$ 626,786</u>	<u>\$ 754,373</u>

Depreciation and amortization expense for the years ended September 30, 2022 and 2021 totaled \$152,919 and \$130,241, respectively.

6. 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. Amounts awarded to affiliated agencies but unpaid at September 30, 2022 and 2021 totaled \$14,602,370 and \$44,401,533, respectively, and is payable within one year.

7. Contract Liabilities

USCRI's contract liabilities are recognized as revenue in the subsequent period. The table below summarizes the activity for the years ended September 30, 2022 and 2021.

Beginning of year balance as of October 1, 2020	\$ 215,722
Cash received during the year ended September 30, 2021	2,124,391
Revenue recognized during the year ended September 30, 2021	<u>(1,716,251)</u>
Balance as of September 30, 2021	624,862
Cash received during the year ended September 30, 2022	9,872,068
Revenue recognized during the year ended September 30, 2022	<u>(8,579,529)</u>
Balance as of September 30, 2022	<u>\$ 1,975,275</u>

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

7. Contract Liabilities (continued)

USCRI's contract liabilities were attributable to the following programs as of September 30;

	<u>2022</u>	<u>2021</u>
Matching Grant (MG) Program	\$ 452,235	\$ 365,919
Resettlement & Placement (R&P) Program	569,210	247,818
Afghan Placement Assistance	<u>953,830</u>	<u>11,125</u>
Total Contract Liabilities	<u>\$ 1,975,275</u>	<u>\$ 624,862</u>

8. Commitments and Contingencies

Concentrations of Credit 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, 2022 and 2021, substantially all of USCRI's cash and cash equivalents and investments were held at six financial institutions in accounts over the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. Cash held in excess of the FDIC limit totaled approximately \$22,330,000 and \$17,000,000 as of September 30, 2022 and 2021, respectively. USCRI's total cash and cash equivalents include approximately \$8,588,000 and \$7,523,000 of restricted cash held as refundable advances – government as of September 30, 2022 and 2021, respectively. Historically, USCRI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash, cash equivalents, restricted cash, and investments.

Credit risk with respect to receivables is limited because 94% and 98% of USCRI's receivables are from federal and state governments as of September 30, 2022 and 2021, respectively. The federal and state governments are anticipated to clear their receivables timely.

Federal and State Government Contingencies

USCRI receives a substantial portion of its revenue from federal and state governments. 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, 2022 and 2021, USCRI earned revenue from federal and state governments totaling \$264,326,292 and \$116,993,163, respectively, which is 94% of the total revenue and support earned in each of these years.

USCRI administers the Reception and Placement (R&P) program on behalf of the U.S. Department of State. Amounts awarded are based on the annual Presidential Determination for refugee admission and proposed projection for Special Immigrant Visa (SIV) holders. For the year ending September 30, 2023, the refugee admission projection for the United States is 125,000 refugees. Of this, USCRI is approved to resettle 9,417 refugees and SIVs. As of April 5, 2023, USCRI has resettled 3,178 refugees and SIV clients, representing 34% of USCRI's approved projected resettlements.

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

8. Commitments and Contingencies (continued)

Federal Grants Subject to Audit

USCRI has received federal grants that are subject to review, audit and adjustment by various federal agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal agencies cannot be determined at this time although USCRI expects such amounts, if any, to be insignificant.

Lease Commitments

USCRI has entered into a noncancelable lease with a landlord for its headquarters location through October 31, 2030. This lease includes rent abatements recorded as deferred rent 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 deferred rent which is amortized over the lease term. As a security deposit, USCRI obtained a letter of credit for the benefit of the landlord totaling \$43,249. No amounts were drawn against the letter of credit during the years ended September 30, 2022 and 2021.

In August 2018, USCRI entered into a noncancelable lease with a landlord for its Albany location through July 2023. The lease provides no incentives or lease abatements, however, the lease provides for escalating payments through the end of the lease term.

In September 2016, USCRI entered into a noncancelable lease with a landlord for its Des Moines location through August 2021. In August 2021, the lease was renewed under a new five-year term through August 2026. The lease and amendment provides for escalating rental payments in years three and five of the lease. The lease also required a security deposit equivalent to one month's rent which is included in advances and other assets in the accompanying consolidated statements of financial position.

In April 2022, USCRI entered into a noncancelable lease with a landlord for its Richmond program through June 2025. The lease provides for escalating payments in each of the lease years and required a security deposit equivalent to one month's rent which is included in advances and other assets in the accompanying consolidated statements of financial position.

In June 2022, USCRI entered into a noncancelable lease with a landlord for its Dallas location through May 2025. The lease provides for escalating payments in each of the lease years and required a security deposit equivalent to one month's rent which is included in advances and other assets in the accompanying consolidated statements of financial position.

In October 2022, USCRI entered into a noncancelable lease with a landlord for its Ohio location through September 2025. The lease provides no incentives, escalations or lease abatements.

USCRI is committed under short-term leases for office space in North Carolina, Michigan, Texas, Vermont, Florida, Missouri, Tennessee, California, Ohio and Honduras that expire at various times through December 2023.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

8. Commitments and Contingencies (continued)

Lease Commitments (continued)

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

<u>For the Year Ending September 30,</u>	
2023	\$ 1,427,093
2024	983,876
2025	848,907
2026	819,634
2027	752,705
Thereafter	<u>2,454,041</u>
Total Future Minimum Principal Payments	<u>\$ 7,286,256</u>

Rental expense totaled \$3,355,842 and \$2,921,164 for years ended September 30, 2022 and 2021, respectively.

Legal Contingency

USCRI is named in legal actions involving operation and employment matters arising in the ordinary course of business. The amount of liability that may finally exist, if any, cannot be reasonably estimated, and no provision for loss has been made in the accompanying consolidated financial statements. In the opinion of management, these actions will not result in an adverse effect on USCRI's financial condition.

9. Net Assets

Board Designated Net Assets

As of September 30, 2022 and 2021, net assets without donor restrictions included funds designated by the Board of Directors totaling \$5,684,725 and \$6,682,939, respectively. The board-designated reserves are intended to serve as an operating reserve.

With Donor Restrictions

Net assets with donor restrictions are restricted to the following programs as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Legal program	\$ 1,746,593	\$ -
National program	1,300,246	-
Albany Program	397,818	319,668

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

9. Net Assets (continued)

With Donor Restrictions (continued)

	<u>2022</u>	<u>2021</u>
<i>(continued)</i>		
Dearborn program	\$ 326,600	\$ 24,667
North Carolina program	321,633	-
Des Moines program	276,793	10,905
Ohio program	267,121	-
Vermont program	265,396	19,626
Erie program	257,859	7,216
Refugee services division	<u>26,447</u>	<u>157,492</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,186,506</u>	<u>\$ 539,574</u>

10. In-Kind Contributions

USCRI received the following in-kind contributions during the year ended September 30, 2022:

Accommodation – donated housing	\$ 1,791,753
Clothing, furniture and other household items	315,893
In-store credit – produce, food and other daily goods	<u>203,400</u>
Total In-Kind Contributions	<u>\$ 2,311,046</u>

Contributed goods are recorded in the accompanying statement of activities at their estimated fair value. The accommodations are valued based upon the cost to rent comparable properties of similar size and location. The clothing, furniture and other household items are valued based upon values stated in the Salvation Army Pricing Guide. The in-store credit is valued at the sales price of the items received as stated by the retailer of the goods.

No donor-imposed restrictions were imposed on any of the in-kind contributions received during the year ended September 30, 2022. USCRI did not receive any in-kind contributions during the year-ended September 30, 2021.

11. PPP Loan Forgiveness

On May 10, 2020, USCRI received loan proceeds in the amount of \$364,795 under the Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP, established as part of the CARES Act, provided for loans to qualifying businesses for eligible purposes including payroll costs, group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The application of these funds required USCRI to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operation of USCRI. This certification further required USCRI to take into account current business activity

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021**

11. PPP Loan Forgiveness (continued)

and the ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, was dependent on USCRI having initially qualified for the loan and qualifying for the forgiveness of such loan was based on USCRI's adherence to the forgiveness criteria.

Under the terms of the PPP loan, once a borrower receives the funds, the amount spent over the covered period on eligible purposes can be forgiven. Any portion of a PPP loan that is not forgiven must be repaid over two years after the deferral period ending on the date which the amount of forgiveness is determined at an interest rate of 1%.

USCRI expended funds for the purposes consistent with PPP and applied for loan forgiveness in November 2020. USCRI received approval of the loan forgiveness application on February 24, 2021, and recognized the amounts as revenue during the year ended September 30, 2021. This amount is included as forgiveness of PPP loan payable in the accompanying consolidated statements of activities.

12. Retirement

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, 2022 and 2021 totaled \$1,331,818 and \$1,345,136, respectively, and is included in fringe benefits in the accompanying consolidated statements of functional expenses.

13. 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 unrelated business income. As of September 30, 2022 and 2021, no provision for income taxes has been made, as USCRI had no unrelated business income.

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 would require recognition in the consolidated financial statements

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended September 30, 2022 and 2021

13. Income Taxes (continued)

or that may have any effect on its tax-exempt status. U.S. federal jurisdiction and/or the various states and local jurisdictions in which USCRI files tax returns are open for examination; however, there are currently no examinations pending or in progress. It is USCRI's policy to recognize interest and penalties related to uncertainty in income taxes, if any, in interest expense and income tax expense, respectively. For the years ended September 30, 2022 and 2021, there were no interest or penalties recorded or included in the consolidated statements of activities related to uncertain tax positions.

14. Subsequent Events

USCRI evaluated subsequent events through April 5, 2023, which is the date the consolidated financial statements were available to be issued. Aside from the matter disclosed in Note 7, there were no events noted that required adjustment to or disclosure in these consolidated financial statements.

SUPPLEMENTARY INFORMATION

U.S. COMMITTEE FOR REFUGEES AND IMMIGRANTS, INC. AND RELATED ENTITY

CONSOLIDATED SCHEDULE OF PROGRAM RELATED AND INDIRECT EXPENSES

For the Year Ended September 30, 2022

Program Services

	Medical Replacement Designee Programs	Refugee Services Division	Center For Refugees and Immigrant Children	Erie Programs	Raleigh Programs	Vermont Programs	Cleveland Programs	Albany Programs	Des Moines Programs	Legal	Dearborn Programs	International Organization for Migration	Discovering Homes	Other Field Offices	Total Program Services
Agency/contractual payments	\$ 131,648,986	\$ 56,684,428	\$ 14,974,918	\$ 370,399	\$ 3,787	\$ 26,965	\$ 43,380	\$ -	\$ 13,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,766,132
Salaries and wages	4,524,093	1,444,540	13,192,908	832,340	1,012,823	1,472,155	812,608	1,059,917	593,880	952,611	278,158	124,617	-	24,043	26,324,693
Direct refugee assistance	3,117,642	6,497,522	3,309,239	1,229,364	1,302,277	528,985	1,310,266	1,107,029	1,188,103	34,314	840,188	666	-	6	20,465,601
Fringe benefits	626,092	332,873	3,607,747	355,044	267,197	344,125	150,473	187,090	172,577	230,571	97,348	32,755	-	2,066	6,405,958
Occupancy	-	37,561	1,688,202	29,114	99,858	107,245	47,959	88,043	67,996	127,750	51,828	14,652	14,565	-	2,374,773
Donated housing and supplies	-	1,791,753	-	124,241	156,332	127,722	26,874	15,701	53,873	-	12,350	-	-	-	2,308,846
Professional fees	668,761	68,653	281,775	33,330	106,677	47,033	81,638	40,786	36,439	54,404	3,628	8,805	2,000	-	1,433,929
Equipment rental and repair	37,678	31,584	443,841	108,050	44,096	107,494	143,513	42,541	156,624	65,624	8,001	442	13,753	4,509	1,207,750
Insurance	-	2,726	594,257	16,459	12,666	12,713	20,343	21,131	7,600	20,442	5,612	956	6,382	-	721,287
Outside services and consulting	59,803	47,696	117,734	1,830	1,458	3,276	1,589	1,071	701	3,396	378	12,805	-	-	251,737
Telephone and communications	-	11,894	113,757	19,725	18,646	20,270	15,302	16,652	16,475	12,916	11,475	1,093	-	411	258,616
Travel	7,387	2,495	96,234	898	33,165	32,730	3,491	32,891	3,476	3,206	-	78	-	-	216,051
Training and staff development	-	340	106,147	279	493	1,801	4,076	578	150	60	-	-	-	-	113,924
Postage and shipping	14,570	3,078	74,626	2,107	2,466	4,843	2,202	1,404	1,902	9,966	296	18,123	-	296	135,879
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	8,095	-	8,095
Subscriptions and references	-	4,080	15,496	5,490	2,496	2,133	3,293	2,886	2,492	12,553	2,383	3,124	-	-	56,426
Bank charges	-	30	-	224	-	20	964	450	402	2,896	-	61,309	25	907	67,227
Conferences and meetings	2,054	6,927	26,326	1,134	14,601	3,325	2,870	406	3,355	2,281	727	3	-	-	64,009
Printing and reproduction	673	1,478	29,948	3,268	1,544	6,222	3,337	2,611	2,328	2,276	-	8,548	203	-	62,436
Miscellaneous expenses	-	-	53,434	2,428	38	341	3,328	-	-	16	-	-	13,855	-	73,440
Loss on disposal	-	-	-	-	-	-	-	-	-	-	-	-	52,595	-	52,595
Advertising	-	3,124	10,089	-	298	4,479	-	-	303	-	-	-	-	-	18,293
Total expenses before allocated indirect costs	140,707,739	66,972,782	38,736,678	3,135,724	3,080,918	2,853,877	2,677,506	2,621,187	2,321,945	1,535,282	1,312,372	287,976	111,473	32,238	266,387,697
Indirect costs allocated	1,122,448	454,917	4,455,773	93,364	147,992	250,076	114,727	135,131	103,870	111,109	35,826	-	-	3,133	7,028,366
Total Expenses after Allocated Indirect Costs	\$ 141,830,187	\$ 67,427,699	\$ 43,192,451	\$ 3,229,088	\$ 3,228,910	\$ 3,103,953	\$ 2,792,233	\$ 2,756,318	\$ 2,425,815	\$ 1,646,391	\$ 1,348,198	\$ 287,976	\$ 111,473	\$ 35,371	\$ 273,416,063

Supporting Services

	Management and General	Fundraising	Total Supporting Services	Total
Agency/contractual payments	\$ -	\$ -	\$ -	\$203,766,132
Salaries and wages	3,923,506	438,521	4,362,027	30,686,720
Direct refugee assistance	104,913	-	104,913	20,570,514
Fringe benefits	974,047	112,519	1,086,566	7,492,524
Occupancy	962,929	35,872	998,801	3,373,574
Donated housing and supplies	-	2,200	2,200	2,311,046
Professional fees	381,143	41,665	422,808	1,856,737
Equipment rental and repair	75,213	2,604	77,817	1,285,567
Insurance	106,857	4,531	111,388	832,675
Outside services and consulting	281,709	3,684	285,393	537,130
Telephone and communications	144,720	5,236	149,956	408,572
Travel	38,459	1,194	39,653	255,704
Training and staff development	49,030	-	49,030	162,954
Postage and shipping	16,828	539	17,367	153,246
Depreciation and amortization	144,824	-	144,824	152,919

Supporting Services (continued)

(continued)

	Management and General	Fundraising	Total Supporting Services	Total
Subscriptions and references	\$ 80,767	\$ 4,619	\$ 85,386	\$ 141,812
Bank charges	41,613	17,251	58,864	126,091
Conferences and meetings	38,996	323	39,319	103,328
Printing and reproduction	5,558	15,916	21,474	83,910
Miscellaneous expenses	556	2,322	2,878	76,318
Loss on disposal	-	-	-	52,595
Advertising	7,744	1,651	9,395	27,688
Total expenses before allocated indirect costs	7,379,412	690,647	8,070,059	274,457,756
Indirect costs allocated	(7,028,366)	-	(7,028,366)	-
Total Expenses after Allocated Indirect Costs	\$ 351,046	\$ 690,647	\$ 1,041,693	\$ 274,457,756

See independent auditors' report.