

FINANCIAL STATEMENTS



**UNITED STATES ASSOCIATION
FOR UNHCR**

**FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015**

UNITED STATES ASSOCIATION FOR UNHCR

CONTENTS

	PAGE NO.
INDEPENDENT AUDITOR'S REPORT	2
EXHIBIT A - Statements of Financial Position, as of December 31, 2016 and 2015	3
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended December 31, 2016 and 2015	4 - 5
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2016	6
EXHIBIT D - Statement of Functional Expenses, for the Year Ended December 31, 2015	7
EXHIBIT E - Statements of Cash Flows, for the Years Ended December 31, 2016 and 2015	8
NOTES TO FINANCIAL STATEMENTS	9 - 16

GELMAN, ROSENBERG

& FREEDMAN

CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the United States Association for UNHCR (USA for UNHCR), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA for UNHCR as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

May 4, 2017

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UNITED STATES ASSOCIATION FOR UNHCR

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 20,443,413	\$ 14,848,921
Investments	2,671,268	521,213
Contributions receivable	2,626,389	3,114,262
Prepaid expenses	<u>1,207,204</u>	<u>1,159,148</u>
Total current assets	<u>26,948,274</u>	<u>19,643,544</u>
FURNITURE AND EQUIPMENT		
Furniture and fixtures	42,578	42,578
Computers and equipment	115,906	95,189
Computer software	8,428	8,428
Leasehold improvements	<u>42,629</u>	<u>42,629</u>
	209,541	188,824
Less: Accumulated depreciation and amortization	<u>(173,099)</u>	<u>(164,444)</u>
Net furniture and equipment	<u>36,442</u>	<u>24,380</u>
OTHER ASSETS		
Deposits	<u>99,009</u>	<u>99,009</u>
TOTAL ASSETS	<u>\$ 27,083,725</u>	<u>\$ 19,766,933</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 854,460	\$ 695,293
Due to UNHCR	<u>9,912,299</u>	<u>8,213,031</u>
Total current liabilities	<u>10,766,759</u>	<u>8,908,324</u>
NET ASSETS		
Unrestricted	11,971,460	10,287,571
Temporarily restricted	<u>4,345,506</u>	<u>571,038</u>
Total net assets	<u>16,316,966</u>	<u>10,858,609</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,083,725</u>	<u>\$ 19,766,933</u>

UNITED STATES ASSOCIATION FOR UNHCR

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	2016		
	Unrestricted	Temporarily Restricted	Total
REVENUE			
Grants and contributions	\$ 25,394,967	\$ 11,137,863	\$ 36,532,830
Contributions from UNHCR	10,676,248	-	10,676,248
In-kind contributions	5,102,236	-	5,102,236
Interest and investment loss	68,985	-	68,985
Net assets released from donor restrictions - satisfaction of donor restrictions	<u>7,363,395</u>	<u>(7,363,395)</u>	<u>-</u>
Total revenue	<u>48,605,831</u>	<u>3,774,468</u>	<u>52,380,299</u>
EXPENSES			
Program Services:			
Refugee Programs and Awareness Activities	<u>33,013,746</u>	<u>-</u>	<u>33,013,746</u>
Supporting Services:			
Management and General	1,602,500	-	1,602,500
Fundraising	<u>12,305,696</u>	<u>-</u>	<u>12,305,696</u>
Total supporting services	<u>13,908,196</u>	<u>-</u>	<u>13,908,196</u>
Total expenses	<u>46,921,942</u>	<u>-</u>	<u>46,921,942</u>
Changes in net assets	1,683,889	3,774,468	5,458,357
Net assets at beginning of year	<u>10,287,571</u>	<u>571,038</u>	<u>10,858,609</u>
NET ASSETS AT END OF YEAR	<u>\$ 11,971,460</u>	<u>\$ 4,345,506</u>	<u>\$ 16,316,966</u>

2015		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 22,040,497	\$ 13,973,187	\$ 36,013,684
8,809,508	570,000	9,379,508
1,992,864	-	1,992,864
(31,020)	-	(31,020)
<u>14,560,712</u>	<u>(14,560,712)</u>	<u>-</u>
<u>47,372,561</u>	<u>(17,525)</u>	<u>47,355,036</u>
<u>31,125,958</u>	<u>-</u>	<u>31,125,958</u>
1,286,453	-	1,286,453
<u>9,464,046</u>	<u>-</u>	<u>9,464,046</u>
<u>10,750,499</u>	<u>-</u>	<u>10,750,499</u>
<u>41,876,457</u>	<u>-</u>	<u>41,876,457</u>
5,496,104	(17,525)	5,478,579
<u>4,791,467</u>	<u>588,563</u>	<u>5,380,030</u>
<u>\$ 10,287,571</u>	<u>\$ 571,038</u>	<u>\$ 10,858,609</u>

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>		<u>Supporting Services</u>		
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 930,526	\$ 774,699	\$ 1,672,558	\$ 2,447,257	\$ 3,377,783
Payroll taxes and related benefits	204,534	158,727	359,187	517,914	722,448
Depreciation and amortization	495	1,978	6,182	8,160	8,655
Computers and equipment	75,125	30,757	13,426	44,183	119,308
Insurance	10,379	7,388	23,086	30,474	40,853
Dues and subscriptions	48,226	7,715	22,975	30,690	78,916
Postage and delivery	622	1,116	1,292,507	1,293,623	1,294,245
Printing, productions and publications	2,506	1,708	3,597,056	3,598,764	3,601,270
List rental and processing fees	1	11,997	1,023,170	1,035,167	1,035,168
Professional fees and consulting	795,190	358,382	807,920	1,166,302	1,961,492
Licenses and permits	-	211	1,355	1,566	1,566
Supplies and office expenses	36,162	54,607	28,666	83,273	119,435
Rent and utilities	223,913	69,944	218,574	288,518	512,431
Telephone and communications	8,324	8,910	9,370	18,280	26,604
Travel, meetings and special events	61,582	86,097	158,380	244,477	306,059
Bank and merchant service charges	-	18,848	330,876	349,724	349,724
Marketing, advertising and recruitment	102,307	9,416	18,703	28,119	130,426
Online, telemarketing and face-to-face	22,827	-	2,721,705	2,721,705	2,744,532
Grants to other organizations	245,000	-	-	-	245,000
In-kind professional services	222,241	-	-	-	222,241
Grants to UNHCR:					
Transfers	25,143,791	-	-	-	25,143,791
In-kind	4,879,995	-	-	-	4,879,995
TOTAL	\$ 33,013,746	\$ 1,602,500	\$ 12,305,696	\$ 13,908,196	\$ 46,921,942

See accompanying notes to financial statements.

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Refugee Programs and Awareness Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries	\$ 617,113	\$ 778,075	\$ 1,545,834	\$ 2,323,909	\$ 2,941,022
Payroll taxes and related benefits	115,016	106,543	321,570	428,113	543,129
Depreciation and amortization	232	1,627	6,349	7,976	8,208
Computers and equipment	16,777	6,173	79,780	85,953	102,730
Insurance	1,392	5,770	25,987	31,757	33,149
Dues and subscriptions	31,440	8,037	3,285	11,322	42,762
Postage and delivery	5,046	2,084	968,510	970,594	975,640
Printing, productions and publications	89,740	1,616	1,928,434	1,930,050	2,019,790
List rental and processing fees	72,400	12,169	839,164	851,333	923,733
Professional fees and consulting	1,197,324	73,860	521,694	595,554	1,792,878
Licenses and permits	205	819	1,332	2,151	2,356
Supplies and office expenses	55,629	55,680	16,414	72,094	127,723
Rent and utilities	100,330	62,443	315,385	377,828	478,158
Telephone and communications	5,154	10,434	12,245	22,679	27,833
Travel, meetings and special events	85,598	123,758	113,897	237,655	323,253
Bank and merchant service charges	(15)	19,148	376,211	395,359	395,344
Marketing, advertising and recruitment	22,318	12,549	29,281	41,830	64,148
Online, telemarketing and face-to-face	192,165	5,668	2,358,674	2,364,342	2,556,507
Grants to UNHCR:					
Transfers	26,525,230	-	-	-	26,525,230
In-kind	1,992,864	-	-	-	1,992,864
TOTAL	\$ 31,125,958	\$ 1,286,453	\$ 9,464,046	\$ 10,750,499	\$ 41,876,457

See accompanying notes to financial statements.

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 5,458,357	\$ 5,478,579
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Donated investments	(2,116,001)	(1,000,808)
Unrealized (gain) loss	(48,300)	1,884
Realized (gain) loss	(201)	32,666
Depreciation and amortization	8,655	8,208
(Increase) decrease in:		
Contributions receivable	487,873	(2,428,916)
Prepaid expenses	(48,056)	(684,928)
Deposits	-	(66,917)
Increase (decrease) in:		
Accounts payable and accrued liabilities	159,167	111,555
Due to UNHCR	<u>1,699,268</u>	<u>6,047,551</u>
Net cash provided by operating activities	<u>5,600,762</u>	<u>7,498,874</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of computers and equipment	(20,717)	-
Net proceeds from sale (purchases) of investments	<u>14,447</u>	<u>460,920</u>
Net cash (used) provided by investing activities	<u>(6,270)</u>	<u>460,920</u>
Net increase in cash and cash equivalents	5,594,492	7,959,794
Cash and cash equivalents at beginning of year	<u>14,848,921</u>	<u>6,889,127</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 20,443,413</u>	<u>\$ 14,848,921</u>

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

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

Together, USA for UNHCR can give refugees the hope and dignity they deserve and help them rebuild their lives.

Established by concerned American citizens, USA for UNHCR is a 501(c)(3) non-profit organization, headquartered in Washington, D.C., with an office in New York, NY.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of USA for UNHCR and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of USA for UNHCR and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Income taxes -

USA for UNHCR is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. USA for UNHCR is not a private foundation as described in Section 509(a)(1) of the Internal Revenue Code. USA for UNHCR is subject to unrelated business income taxes under Section 512 of the Internal Revenue Code.

Uncertain tax positions -

For the years ended December 31, 2016 and 2015, USA for UNHCR has documented its consideration of FASB ASC 740-10 (*Income Taxes*) and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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

Cash and cash equivalents -

For financial statement purposes, USA for UNHCR considers cash on hand and money market accounts held in local financial institutions to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, USA for UNHCR maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are stated at their readily determinable fair value with realized and unrealized gains and losses included in investment income. Investments donated to USA for UNHCR are recorded at their readily determinable fair value as of the date of donation. As of December 31, 2016 and 2015, investments on hand totaled \$2,671,268 and \$521,213, respectively.

Furniture and equipment -

Furniture and equipment in excess of \$5,000, purchased with unrestricted funds, are stated at cost and are depreciated on the straight-line basis over their related estimated useful lives, generally three to seven years. Leasehold improvements are amortized over the remaining life of the lease. Furniture and equipment purchased with restricted funds are expensed and charged to the corresponding program. The cost of maintenance and repairs is recorded as expenses are incurred.

Contributions receivable -

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

Due to UNCHR

USA for UNHCR receives gifts from various donors that are earmarked for various programs that UNHCR is currently engaged in. Funds are collected by USA for UNHCR and then granted to USA for UNHCR for the specific purpose as stated by the donor. The balance in due to UNHCR are the funds received but not yet transferred to UNHCR. The balance at December 31, 2016 and 2015 totaled \$9,912,299 and \$8,213,031, respectively.

In-kind contributions -

During 2016 and 2015, USA for UNHCR received in-kind contributions totaling \$5,102,236 and \$1,992,864, respectively. In-kind contributions for 2016 consisted of donated software, subscriptions, legal and professional services pro-bono, advertisements, transportation services and shipping costs. In-kind contributions for 2015 consisted of donated clothing (Sudan and Rwanda), shoes (Burkina Faso, Uganda, Tanzania), software (UNHCR), and transportation services (Syria and Mediterranean regions). The fair value of the in-kind contributions has been recorded as in-kind revenue and expense in the accompanying Statements of Activities and Changes in Net Assets.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

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

Grants and contributions -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Allocation of functional expenses -

The costs of providing program and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Expenses that relate directly to a program or supporting service are charged to that program or supporting service. Certain supporting service expenses have been allocated among the programs benefited based on employee time records and ratios determined by management.

Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Accordingly, actual results could differ from those estimates.

Investment risks and uncertainties -

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

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

Fair value measurement -

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

New accounting pronouncement -

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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

New accounting pronouncement (continued) -

The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statements of Activities and Changes in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of the USA for UNHCR's financial statements, it is not expected to alter the USA for UNHCR's reported financial position.

2. INVESTMENTS

Investments consisted of the following at December 31, 2016 and 2015:

	<u>2016</u> <u>Market</u> <u>Value</u>	<u>2015</u> <u>Market</u> <u>Value</u>
Common Stocks	\$ <u>2,671,268</u>	\$ <u>521,213</u>

Included within investment income (loss) are the following:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 20,484	\$ 3,530
Unrealized gain (loss)	48,300	(1,884)
Realized gain (loss)	<u>201</u>	<u>(32,666)</u>
TOTAL INVESTMENT INCOME (LOSS)	\$ <u>68,985</u>	\$ <u>(31,020)</u>

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Program Services:		
Grants to UNHCR	\$ 3,745,997	\$ -
Grants to other organizations	599,509	-
HIVE/Digital/LG	<u>-</u>	<u>571,038</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	\$ <u>4,345,506</u>	\$ <u>571,038</u>

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

4. NET ASSETS RELEASED FROM RESTRICTIONS

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

	<u>2016</u>	<u>2015</u>
Grants to UNHCR	\$ 6,692,357	\$ 14,560,712
HIVE/Digital/LG	571,038	-
Connectivity	<u>100,000</u>	<u>-</u>
	<u>\$ 7,363,395</u>	<u>\$ 14,560,712</u>

5. GRANTS TO UNHCR

During the years ended December 31, 2016 and 2015, USA for UNHCR committed grants to the United Nations High Commissioner for Refugees (UNHCR) totaling \$30,023,786 and \$28,518,094, respectively. These grants were made for the purpose of supporting programs administered by UNHCR.

Following is a list of the committed grants made during 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Cash Transfers:		
Afghan Shelter	\$ 21	\$ 25,025
Afghan Refugees	109	50
Bekka Valley Com. Ctr	-	49,376
Bake Sale for Babies	-	19,080
Burkina Faso	12,750	-
Capacity Building/Glob Fleet	69,000	-
Chad-Sudan Emergency	4,694	9,368
Community Part. Visibility	-	30,000
Connectivity	-	282,300
Democratic Republic of Congo	-	10
Ecuador Airlift	75,023	-
Ecuador Emergency	90,513	-
Education	1,905	7,850
Educate A Child	7,604	10,430
Emergency Supply Train	44,000	100,000
European/Med. Crisis	9,893	1,456,529
Food Crisis	-	25
Greatest Needs *	18,451,434	11,964,518
General Emergency	807,816	5,135,267
Greek Airlift	-	487,748
HQ Support	21,000	-
Global Humanitarian	100,059	-
Global Shelter	818,625	-
Goldman Sachs	198	-
Greece Emergency	250,037	-
Greece Shelter/Reception	225,000	-

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

5. GRANTS TO UNHCR (Continued)

	<u>2016</u>	<u>2015</u>
Cash Transfers (continued):		
Iraq IDPs	\$ 45,186	\$ 600,422
Jolie-Pitt Kenya	163,588	-
Kakuma and Rwanda Education	95,139	-
Jordan/Lebanon	-	280,389
LifeLine Jordan	507,825	1,922,822
Morneau Shepell	463	-
Myanmar - Burma	-	511
Nepal	-	226,251
Protection at Sea	-	100,000
Relief Link Initiative	66,000	25,000
Rohingya in Bangladesh	-	4,000
RHU	-	4,254
Rwanda	38	-
Rwanda Education	-	130,000
Shelter	1,618	10,000
Shelter and Protection	50,000	-
Somali Refugees	375	-
South Sudan	260,115	509,936
Syria Children	27,180	153,385
Syrian Greek/Serbia	-	500,000
Syria Education	880	-
Syria IDPs	-	6,050
Syria Emergency	1,767,679	1,753,065
Syria Winterization	145	279,371
Syria Lifeline	999,967	-
Syria TTA	-	1,200
Tanzania	13,515	-
Ukraine	-	500
Uganda	8,828	200
Winterization	<u>145,569</u>	<u>440,298</u>
Subtotal - Cash Transfers	<u>25,143,791</u>	<u>26,525,230</u>
In-kind Donations:		
Relief Link Initiative	115,000	-
Greatest Needs	1,700,000	-
Shelter and Protection	3,024,450	-
Rwanda	-	340,706
Syria Emergency/IDPs	-	262,500
Uganda	-	203,032
Tanzania	40,545	270,300
Burkina Faso	-	293,250
South Sudan	-	336,546
Innovation Unit	-	91,530
European/Mediterranean Crisis	<u>-</u>	<u>195,000</u>
Subtotal - In-kind Donations	<u>4,879,995</u>	<u>1,992,864</u>
TOTAL GRANTS TO UNHCR	<u>\$ 30,023,786</u>	<u>\$ 28,518,094</u>

* Funded through unrestricted contributions and grants

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

6. LEASE COMMITMENTS

USA for UNHCR extended the original lease for its D.C. office to December 31, 2018. USA for UNHCR is responsible for its proportional share of real estate taxes and operating costs for the duration of the lease agreement.

During 2015, USA for UNHCR entered into a sub-lease agreement for office space in New York expiring March 30, 2018. USA for UNHCR is responsible for its proportional share of operating costs for the duration of the sub-lease agreement.

Following is a schedule of future minimum lease commitments as of December 31, 2016:

Year Ending December 31,

2017	\$ 515,297
2018	<u>256,791</u>
	<u>\$ 772,088</u>

Total rent and utilities expense was \$512,431 and \$478,158, for the years ended December 31, 2016 and 2015, respectively.

7. RETIREMENT PLAN

USA for UNHCR administers a defined contribution plan (401(k) plan) that covers all employees with a minimum of one month of service. USA for UNHCR contributes 5% of each eligible employee's annual salary. Total retirement expense for the years ended December 31, 2016 and 2015 was \$130,133 and \$92,259, respectively.

8. FAIR VALUE MEASUREMENT

In accordance with FASB ASC 820, *Fair Value Measurement*, USA for UNHCR has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market USA for UNHCR has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

8. FAIR VALUE MEASUREMENT (Continued)

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at December 31, 2016 and 2015.

Common stocks - Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarizes, by level within the fair value hierarchy, USA for UNHCR's investments as of December 31, 2016:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total December 31, 2016
Asset Class:				
Common Stocks	\$ <u>2,671,268</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,671,268</u>

The table below summarizes, by level within the fair value hierarchy, USA for UNHCR's investments as of December 31, 2015:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total December 31, 2015
Asset Class:				
Common Stocks	\$ <u>521,213</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>521,213</u>

9. SUBSEQUENT EVENTS

In preparing these financial statements, USA for UNHCR has evaluated events and transactions for potential recognition or disclosure through May 4, 2017, the date the financial statements were issued.