

FINANCIAL STATEMENTS



**UNITED STATES ASSOCIATION
FOR UNHCR**

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

UNITED STATES ASSOCIATION FOR UNHCR

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the United States Association for UNHCR (USA for UNHCR), which comprise the statements of financial position as of December 31, 2020 and 2019, 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, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

May 28, 2021

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UNITED STATES ASSOCIATION FOR UNHCR

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 15,985,363	\$ 17,178,929
Grants and contributions receivable	4,107,478	3,847,052
Inventory of donated goods	3,525,000	-
Prepaid expenses	1,255,998	877,763
Furniture and equipment, net	62,991	153,078
Right-of-use assets, net	5,127,761	5,627,899
Deposits	152,196	152,196
Gift annuity receivable	<u>63,028</u>	<u>-</u>
TOTAL ASSETS	\$ <u>30,279,815</u>	\$ <u>27,836,917</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Loan payable	\$ 1,082,100	\$ -
Accounts payable and accrued liabilities	1,835,395	1,743,572
Deferred revenue	100,000	-
Due to UNHCR	4,576,848	5,067,875
Operating lease liability	<u>5,782,009</u>	<u>6,253,279</u>
Total liabilities	<u>13,376,352</u>	<u>13,064,726</u>

NET ASSETS

Without donor restrictions	14,819,860	11,955,937
With donor restrictions	<u>2,083,603</u>	<u>2,816,254</u>
Total net assets	<u>16,903,463</u>	<u>14,772,191</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>30,279,815</u>	\$ <u>27,836,917</u>

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Operations</u>	<u>Special Project (Gifts-In-Kind)</u>	<u>Total Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE					
Contributions and grants	\$ 34,049,198	\$ -	\$ 34,049,198	\$ 10,942,327	\$ 44,991,525
Contributions from UNHCR	10,776,897	-	10,776,897	-	10,776,897
In-kind contributions	6,028,562	35,028,488	41,057,050	-	41,057,050
Interest and investment income	45,774	-	45,774	-	45,774
Net assets released from donor restrictions - satisfaction of donor restrictions	<u>11,674,978</u>	<u>-</u>	<u>11,674,978</u>	<u>(11,674,978)</u>	<u>-</u>
Total revenue	<u>62,575,409</u>	<u>35,028,488</u>	<u>97,603,897</u>	<u>(732,651)</u>	<u>96,871,246</u>
EXPENSES					
Program Services:					
Refugee Programs and Awareness Activities	<u>35,138,512</u>	<u>37,731,156</u>	<u>72,869,668</u>	<u>-</u>	<u>72,869,668</u>
Supporting Services:					
Management and General	2,938,243	-	2,938,243	-	2,938,243
Fundraising	<u>18,932,063</u>	<u>-</u>	<u>18,932,063</u>	<u>-</u>	<u>18,932,063</u>
Total supporting services	<u>21,870,306</u>	<u>-</u>	<u>21,870,306</u>	<u>-</u>	<u>21,870,306</u>
Total expenses	<u>57,008,818</u>	<u>37,731,156</u>	<u>94,739,974</u>	<u>-</u>	<u>94,739,974</u>
Change in net asset before transfer	5,566,591	(2,702,668)	2,863,923	(732,651)	2,131,272
Transfer	<u>(2,702,668)</u>	<u>2,702,668</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	2,863,923	-	2,863,923	(732,651)	2,131,272
Net assets at beginning of year	<u>11,955,937</u>	<u>-</u>	<u>11,955,937</u>	<u>2,816,254</u>	<u>14,772,191</u>
NET ASSETS AT END OF YEAR	<u>\$ 14,819,860</u>	<u>\$ -</u>	<u>\$ 14,819,860</u>	<u>\$ 2,083,603</u>	<u>\$ 16,903,463</u>

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Operations</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE			
Contributions and grants	\$ 31,203,822	\$ 10,158,325	\$ 41,362,147
Contributions from UNHCR	11,211,701	-	11,211,701
In-kind contributions	2,908,093	-	2,908,093
Interest and investment income	213,716	-	213,716
Net assets released from donor restrictions	<u>13,450,483</u>	<u>(13,450,483)</u>	<u>-</u>
Total revenue	<u>58,987,815</u>	<u>(3,292,158)</u>	<u>55,695,657</u>
EXPENSES			
Program Services:			
Refugee Programs and Awareness Activities	<u>36,929,357</u>	<u>-</u>	<u>36,929,357</u>
Supporting Services:			
Management and General	2,526,058	-	2,526,058
Fundraising	<u>18,122,075</u>	<u>-</u>	<u>18,122,075</u>
Total supporting services	<u>20,648,133</u>	<u>-</u>	<u>20,648,133</u>
Total expenses	<u>57,577,490</u>	<u>-</u>	<u>57,577,490</u>
Changes in net assets	1,410,325	(3,292,158)	(1,881,833)
Net assets at beginning of year	<u>10,545,612</u>	<u>6,108,412</u>	<u>16,654,024</u>
NET ASSETS AT END OF YEAR	<u>\$ 11,955,937</u>	<u>\$ 2,816,254</u>	<u>\$ 14,772,191</u>

UNITED STATES ASSOCIATION FOR UNHCR

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Supporting Services			Total Expenses
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 1,918,274	\$ 1,197,856	\$ 3,371,392	\$ 4,569,248	\$ 6,487,522
Payroll taxes and related benefits	437,295	276,983	818,721	1,095,704	1,532,999
Depreciation	23,422	19,818	46,847	66,665	90,087
Computers and equipment	9,263	186,126	183,503	369,629	378,892
Insurance	10,891	9,517	21,599	31,116	42,007
Dues and subscriptions	85,669	59,818	11,122	70,940	156,609
Postage and delivery	134	4,147	2,596	6,743	6,877
Printing, productions and publications	46,004	41,155	9,368,495	9,409,650	9,455,654
List rental and processing fees	-	50,195	796,256	846,451	846,451
Professional fees and consulting	174,816	366,436	110,382	476,818	651,634
Licenses and permits	103,650	96,329	272,325	368,654	472,304
Supplies and office expenses	1,382	74,663	6,628	81,291	82,673
Rent and utilities	473,855	94,078	249,090	343,168	817,023
Telephone and communications	678	44,850	958	45,808	46,486
Travel, meetings and special events	25,608	54,227	28,772	82,999	108,607
Bank and merchant service charges	10	6,032	592,725	598,757	598,767
Marketing, advertising and recruitment	5,396	84,605	1,661	86,266	91,662
Online, telemarketing and face-to-face	594,847	271,408	3,030,138	3,301,546	3,896,393
In-kind professional services	-	-	18,853	18,853	18,853
Special project services	2,702,670	-	-	-	2,702,670
Grants to other organizations:					
Cash transfers	699,800	-	-	-	699,800
Grants to UNHCR:					
Cash transfers	27,042,807	-	-	-	27,042,807
Donated goods	37,513,197	-	-	-	37,513,197
Committed grants (not yet paid)	1,000,000	-	-	-	1,000,000
TOTAL	\$ 72,869,668	\$ 2,938,243	\$ 18,932,063	\$ 21,870,306	\$ 94,739,974

See accompanying notes to financial statements.

UNITED STATES ASSOCIATION FOR UNHCR

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

	Program Services	Supporting Services			Total Expenses
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 1,741,936	\$ 945,849	\$ 3,166,787	\$ 4,112,636	\$ 5,854,572
Payroll taxes and related benefits	360,739	213,095	707,194	920,289	1,281,028
Depreciation	24,390	22,075	56,272	78,347	102,737
Computers and equipment	9,744	123,882	26,747	150,629	160,373
Insurance	13,005	9,716	22,412	32,128	45,133
Dues and subscriptions	47,238	26,694	22,306	49,000	96,238
Postage and delivery	73	7,771	22,306	30,077	30,150
Printing, productions and publications	263,311	35,277	9,906,788	9,942,065	10,205,376
List rental and processing fees	1,277	41,804	614,942	656,746	658,023
Professional fees and consulting	126,763	227,538	78,917	306,455	433,218
Licenses and permits	18,333	52,120	293,675	345,795	364,128
Supplies and office expenses	94,317	21,553	4,269	25,822	120,139
Rent and utilities	468,234	92,292	253,502	345,794	814,028
Telephone and communications	1,767	47,408	1,637	49,045	50,812
Travel, meetings and special events	157,992	264,902	225,131	490,033	648,025
Bank and merchant service charges	-	10,548	508,417	518,965	518,965
Marketing, advertising and recruitment	83,091	78,254	1,697	79,951	163,042
Online, telemarketing and face-to-face	563,530	305,280	2,186,352	2,491,632	3,055,162
In-kind	372,939	-	22,724	22,724	395,663
Grants to other organizations:					
Cash transfers	704,496	-	-	-	704,496
Grants to UNHCR:					
Cash transfers	27,363,751	-	-	-	27,363,751
Donated goods	2,512,431	-	-	-	2,512,431
Committed grants (not yet paid)	2,000,000	-	-	-	2,000,000
TOTAL	\$ 36,929,357	\$ 2,526,058	\$ 18,122,075	\$ 20,648,133	\$ 57,577,490

See accompanying notes to financial statements.

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 2,131,272	\$ (1,881,833)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Realized gain	(25,873)	(49,247)
Depreciation	90,087	102,737
Amortization of right-of-use asset and change in lease liability	28,868	436,267
Inventory of donated goods	(3,525,000)	-
(Increase) decrease in:		
Grants and contributions receivable	(260,426)	2,976,364
Prepaid expenses	(378,235)	(478,301)
Gift annuity receivable	(63,028)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	91,823	(2,176,161)
Deferred revenue	100,000	(47)
Due to UNHCR	<u>(491,027)</u>	<u>686,299</u>
Net cash used by operating activities	<u>(2,301,539)</u>	<u>(383,922)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of computers and equipment	-	(7,357)
Net proceeds from sale of investments	<u>25,873</u>	<u>73,999</u>
Net cash provided by investing activities	<u>25,873</u>	<u>66,642</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan payable	<u>1,082,100</u>	<u>-</u>
Net cash provided by financing activities	<u>1,082,100</u>	<u>-</u>
Net decrease in cash and cash equivalents	(1,193,566)	(317,280)
Cash and cash equivalents at beginning of year	<u>17,178,929</u>	<u>17,496,209</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 15,985,363</u>	<u>\$ 17,178,929</u>
SCHEDULE OF NONCASH INVESTING ACTIVITY:		
Donated Investments	<u>\$ 2,067,531</u>	<u>\$ 1,385,867</u>

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

United States Association for UNHCR (USA for UNHCR) helps and protects refugees and people displaced by violence, conflict and persecution. Working with UNHCR - the UN Refugee Agency - and its partners, USA for UNHCR provides life-saving essentials including shelter, water, food, safety and protection. Around the world, USA for UNHCR helps refugees survive, recover and build a better future. USA for UNHCR gives refugees the hope and dignity they deserve and helps them rebuild their lives. Established by concerned American citizens, USA for UNHCR is a 501(c)(3) non-profit organization, headquartered in Washington, D.C., with an office in New York, New York.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets without donor restrictions are available for the general operations of USA for UNHCR and are not subject to donor restrictions.
- **Net Assets With Donor Restrictions** - Net assets with donor restrictions include contributions and grants restricted by donors and are reported as increases in net assets with donor restrictions during the reporting period in which USA for UNHCR was notified of such contributions or grants by the donors. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying Statements of Activities and Changes in Net Assets.

Cash and cash equivalents -

USA for UNHCR considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

USA for UNHCR considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, USA for UNHCR maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets. As of December 31, 2020 and 2019, all of USA for UNHCR's investments are classified as Level 1.

Investments acquired by gift are recorded at their fair value at the date of the gift. USA for UNHCR's policy is to liquidate all gifts of investments as soon as possible after the gift.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Grants and contributions receivable -

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

Furniture and equipment -

Furniture and equipment in excess of \$5,000, purchased with funds without donor restrictions, are stated at cost and are depreciated on the straight-line basis over their related estimated useful lives, generally three to seven years. Leasehold improvements are amortized over the remaining life of the lease. Furniture and equipment purchased with donor restricted funds are expensed and charged to the corresponding program. The cost of maintenance and repairs is recorded as expenses are incurred.

Inventory -

Inventory consists of donated goods and is measured at the value given by the donor. At December 31, 2020, USA for UNHCR had inventory of donated goods in the amount of \$3,525,000. This inventory was received by the donor but not yet disbursed to UNHCR.

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Statements of Activities and Changes in Net Assets, to its current fair value.

Right-of-use asset -

In accordance with the adoption of ASU 2016-02 *Leases* (Topic 842); the new lease agreements in New York and Washington, D.C. have been placed on the accompanying Statements of Financial Position at the net present value of the lease commitments. The value of the right-of-use asset and related operating lease liability is being amortized over the terms of the lease commitments.

Income taxes -

USA for UNHCR is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. USA for UNHCR is subject to unrelated business income taxes under Section 512 of the Internal Revenue Code. USA for UNHCR is not a private foundation.

Uncertain tax positions -

For the years ended December 31, 2020 and 2019, USA for UNHCR has documented its consideration of FASB ASC 740-10 (*Income Taxes*) and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Due to UNHCR -

USA for UNHCR receives gifts with donor-imposed restrictions for various programs that UNHCR is implementing around the world. Funds are collected by USA for UNHCR and then granted to UNHCR for the specific purpose as stated by the donor. The balance in Due to UNHCR are the funds received but not yet transferred to UNHCR.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

Due to UNHCR (continued) -

The balances at December 31, 2020 and 2019 totaled \$4,576,848 and \$5,067,875, respectively.

In-kind contributions -

During 2020 and 2019, USA for UNHCR received in-kind contributions totaling \$41,057,050 and \$2,908,093, respectively. In-kind contributions for 2020 consisted of donated face shields, clothing, transportation services, shipping costs, and professional services. In-kind contributions for 2019 consisted of donated shoes, transportation services, shipping costs, and professional services. The fair value of the in-kind contributions has been recorded as in-kind revenue and expense in the accompanying Statements of Activities and Changes in Net Assets.

Contributions and grants -

Gifts, including unconditional pledges, grants and contracts are recognized in the appropriate category of net assets in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Contributions and grants receivable are stated at the estimated net present value, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Contributions qualifying as contributions and grants are recorded by USA for UNHCR upon notification of the contribution and grant award and satisfaction of all conditions, if applicable. Contributions and grants are classified as net assets with donor restrictions when use of the contributions and grant funds is limited to specific programmatic areas or is designated for use in future periods. Contributions and grants with donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

Allocation of functional expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of USA for UNHCR are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

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.

Fair value measurement -

USA for UNHCR adopted the provisions of FASB ASC 820, *Fair Value Measurement*.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

Fair value measurement (continued) -

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.

Economic uncertainties -

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

2. GRANTS AND CONTRIBUTIONS RECEIVABLE

As of December 31, 2020 and 2019, contributors to USA for UNHCR have made written promises to give totaling \$4,107,478 and \$3,847,052, respectively. Contributions are due as follows at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Less than One Year	<u>\$ 4,107,478</u>	<u>\$ 3,847,052</u>

3. FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Computer hardware	\$ 73,042	\$ 73,042
Equipment	<u>252,232</u>	<u>252,232</u>
Total furniture and equipment	325,274	325,274
Less: Accumulated depreciation and amortization	<u>(262,283)</u>	<u>(172,196)</u>
NET FURNITURE AND EQUIPMENT	<u>\$ 62,991</u>	<u>\$ 153,078</u>

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Program Services:		
Grant Commitments to UNHCR	\$ 2,020,575	\$ 2,816,254
Time Restricted - General Support	<u>63,028</u>	<u>-</u>
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 2,083,603</u>	<u>\$ 2,816,254</u>

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

5. NET ASSETS RELEASED FROM RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Grants to UNHCR	\$ 11,674,978	\$ 13,445,462
Grants to other organizations	<u>-</u>	<u>5,021</u>
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 11,674,978</u>	<u>\$ 13,450,483</u>

6. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)

The following reflects USA for UNHCR's financial assets as of the date of the Statements of Financial Position, reduced by amounts not available for general use within one year from the date of the Statements of Financial Position because of contractual or donor imposed restrictions or internal designations.

Amounts not available will generally include amounts received with donor restrictions, grants receivable not expected to be collected within one year from the date of the Statements of Financial Position and amounts designated for reserves by the Board of Directors.

An analysis of USA for UNHCR's financial assets available to meet cash needs for general expenditures within one year as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 15,985,363	\$ 17,178,929
Grants and contributions receivable	<u>4,107,478</u>	<u>3,847,052</u>
Total financial assets	20,092,841	21,025,981
Less: Funds subject to donor-imposed purpose restrictions	<u>(2,083,603)</u>	<u>(2,816,254)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 18,009,238</u>	<u>\$ 18,209,727</u>

USA for UNHCR has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2020 and 2019, USA for UNHCR has financial assets equal to approximately three months of operating expenses.

7. GRANTS TO UNHCR

During the years ended December 31, 2020 and 2019, USA for UNHCR committed grants to the United Nations High Commissioner for Refugees (UNHCR) totaling \$65,556,004 and \$31,876,182 (including in-kind contributions), respectively. These grants were made for the purpose of supporting programs administered by UNHCR.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

7. GRANTS TO UNHCR (Continued)

Following is a list of the committed grants made during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Cash Transfers:		
Afghan Refugees	\$ 79,367	\$ -
Argentina Crisis	119,750	-
Capacity Building	-	53,500
CAR for Core Relief Items	-	599,168
Chad/Sudan	-	127,230
Columbia	1,100,020	-
COVID-19	3,236,902	-
Ebola Prevention Project	160,000	-
Education	166,667	1,079,734
Emergency Preparation Supply Chain	-	47,080
Ethiopia	695,753	948,200
Europe	66,249	-
Greatest Needs*	14,025,593	15,900,220
India	-	53,916
Jordan	-	1,037,973
Kakuma District	-	1,051,730
Lebanon	89,230	-
Liberia	300,000	-
Mexico Project	1,093,746	1,745,437
Other	172,666	61,600
Refugee Zakat Fund	290,721	-
Rohingya in Bangladesh	131,730	1,219,105
Safe Road Use Workshops	-	53,500
Shelter	94,370	454,752
South Sudan	-	2,588
Southern Africa (Cyclone)	-	134,281
Syria	-	1,415,734
Tanzania/Burundi	299,148	-
Uganda	743,565	-
Venezuela	2,000,000	1,080,437
Winterization	1,421,397	297,566
Yemen	<u>755,933</u>	<u>-</u>
Subtotal - Cash Transfers	<u>27,042,807</u>	<u>27,363,751</u>
Donated goods:		
Airlifts (Bangladesh, Cameroon, Chad, India, Caracas, Kenya, Malawi, Niger, Somalia, Uganda)	949,460	921,420
COVID-19	1,535,250	-
New Clothes for Refugees	35,028,487	-
Shoes (Burkina Faso, Uganda)	-	446,511
Software	<u>-</u>	<u>1,144,500</u>
Sub-total - Donated goods	<u>37,513,197</u>	<u>2,512,431</u>
Grants committed, not yet paid	<u>1,000,000</u>	<u>2,000,000</u>
TOTAL GRANTS TO UNHCR	<u>\$ 65,556,004</u>	<u>\$ 31,876,182</u>

* Funded through contributions and grants without donor restrictions.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

8. LEASE COMMITMENTS

In 2018, USA for UNHCR entered into an eleven year lease for new office space in Washington D.C. In accordance with the lease agreement, USA for UNHCR will not be required to make rent payments for the first twelve months of the new lease.

In 2018, USA for UNHCR entered into a new ten year lease agreement for office space in New York. In accordance with the lease agreement, USA for UNHCR will not be required to make rent payments for the first three months of the lease.

During 2018, USA for UNHCR elected to early implement Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02 related to leases. ASU 2016-02 requires the recognition of a right-of-use asset and corresponding lease liability, initially measured at the present value of the lease payments. The guidance in the ASU is effective for not-for-profit entities for fiscal years beginning after December 15, 2021 and early adoption is permitted. USA for UNHCR elected to early implement the ASU. USA for UNHCR has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. As a result, USA for UNHCR, recorded right-of-use assets and operating lease liabilities of \$6,433,898 by calculating the net present value of the lease commitments using discount rates of 4.75% and 5.25%, respectively. The right-of-use assets and operating lease liabilities are being amortized over the respective lives of the leases. As of December 31, 2020 and 2019, the unamortized right-of-use assets were valued at \$5,127,761 and \$5,627,899, respectively, and the unamortized operating lease liabilities were valued at \$5,782,009 and \$6,253,279, respectively.

Following is a schedule of future minimum lease commitments as of December 31, 2020:

Year Ending December 31.

2021	\$ 794,180
2022	814,076
2023	845,745
2024	875,373
2025	897,280
Thereafter	<u>2,891,312</u>
Sub-total	7,117,966
Less: Imputed Interest	<u>(1,335,957)</u>
TOTAL	<u>\$ 5,782,009</u>

Rent and utilities expense totaled \$817,023 and \$814,028, for the years ended December 31, 2020 and 2019, respectively.

9. RETIREMENT PLAN

USA for UNHCR administers a defined contribution plan (401(k) plan) that covers all employees with a minimum of one month of service. During 2019, USA for UNHCR increased their contribution from 5% to 8% of each eligible employee's annual salary. Retirement expense for the years ended December 31, 2020 and 2019 totaled \$443,259 and \$312,257, respectively.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

10. LOAN PAYABLE

On May 4, 2020, USA for UNHCR received loan proceeds in the amount of \$1,082,100 under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. USA for UNHCR intends to use the proceeds for purposes consistent with the Paycheck Protection Program and believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. USA for UNHCR intends to apply for forgiveness after completing the 24-week period. If forgiveness is granted, USA for UNHCR will record revenue from debt extinguishment during the period that forgiveness is approved.

Principal payments as stated in the promissory note are due as follows unless otherwise forgiven:

Year Ending December 31,

2021	\$ 834,760
2022	<u>247,340</u>
	<u>\$ 1,082,100</u>

11. SUBSEQUENT EVENTS

In preparing these financial statements, USA for UNHCR has evaluated events and transactions for potential recognition or disclosure through May 28, 2021, the date the financial statements were issued.