

FINANCIAL STATEMENTS



**UNITED STATES ASSOCIATION
FOR UNHCR**

**FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

UNITED STATES ASSOCIATION FOR UNHCR

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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, 2015 and 2014, 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

May 5, 2016

4550 MONTGOMERY AVENUE · SUITE 650 NORTH · BETHESDA, MARYLAND 20814
(301) 951-9090 · FAX (301) 951-3570 · WWW.GRFCPA.COM

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UNITED STATES ASSOCIATION FOR UNHCR

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,848,921	\$ 6,889,127
Investments (Notes 2 and 8)	521,213	15,875
Contributions receivable	3,114,262	685,346
Prepaid expenses	<u>1,159,148</u>	<u>474,220</u>
Total current assets	<u>19,643,544</u>	<u>8,064,568</u>
FURNITURE AND EQUIPMENT		
Furniture and fixtures	42,578	42,578
Computers and equipment	95,189	95,189
Computer software	8,428	8,428
Leasehold improvements	<u>42,629</u>	<u>42,629</u>
	188,824	188,824
Less: Accumulated depreciation and amortization	<u>(164,444)</u>	<u>(156,236)</u>
Net furniture and equipment	<u>24,380</u>	<u>32,588</u>
OTHER ASSETS		
Deposits	<u>99,009</u>	<u>32,092</u>
TOTAL ASSETS	<u>\$ 19,766,933</u>	<u>\$ 8,129,248</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 695,293	\$ 583,738
Due to UNHCR (Note 5)	<u>8,213,031</u>	<u>2,165,480</u>
Total current liabilities	<u>8,908,324</u>	<u>2,749,218</u>
NET ASSETS		
Unrestricted	10,287,571	4,791,467
Temporarily restricted (Note 3)	<u>571,038</u>	<u>588,563</u>
Total net assets	<u>10,858,609</u>	<u>5,380,030</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,766,933</u>	<u>\$ 8,129,248</u>

UNITED STATES ASSOCIATION FOR UNHCR

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE			
Grants and contributions	\$ 22,040,497	\$ 13,973,187	\$ 36,013,684
Contributions from UNHCR	8,809,508	570,000	9,379,508
In-kind contributions	1,992,864	-	1,992,864
Interest and investment loss (Note 2)	(31,020)	-	(31,020)
Net assets released from donor restrictions - satisfaction of donor restrictions (Notes 4 and 5)	<u>14,560,712</u>	<u>(14,560,712)</u>	<u>-</u>
Total revenue	<u>47,372,561</u>	<u>(17,525)</u>	<u>47,355,036</u>
EXPENSES			
Program Services:			
Refugee Programs and Awareness Activities	<u>31,125,958</u>	<u>-</u>	<u>31,125,958</u>
Supporting Services:			
Management and General	1,286,453	-	1,286,453
Fundraising	<u>9,464,046</u>	<u>-</u>	<u>9,464,046</u>
Total supporting services	<u>10,750,499</u>	<u>-</u>	<u>10,750,499</u>
Total expenses	<u>41,876,457</u>	<u>-</u>	<u>41,876,457</u>
Changes in net assets	5,496,104	(17,525)	5,478,579
Net assets at beginning of year	<u>4,791,467</u>	<u>588,563</u>	<u>5,380,030</u>
NET ASSETS AT END OF YEAR	<u>\$ 10,287,571</u>	<u>\$ 571,038</u>	<u>\$ 10,858,609</u>

<u>2014</u>		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 7,998,544	\$ 4,980,175	\$ 12,978,719
6,180,010	588,215	6,768,225
2,243,058	-	2,243,058
(231)	-	(231)
<u>5,008,677</u>	<u>(5,008,677)</u>	<u>-</u>
<u>21,430,058</u>	<u>559,713</u>	<u>21,989,771</u>
<u>11,938,603</u>	<u>-</u>	<u>11,938,603</u>
593,265	-	593,265
<u>7,567,701</u>	<u>-</u>	<u>7,567,701</u>
<u>8,160,966</u>	<u>-</u>	<u>8,160,966</u>
<u>20,099,569</u>	<u>-</u>	<u>20,099,569</u>
1,330,489	559,713	1,890,202
<u>3,460,978</u>	<u>28,850</u>	<u>3,489,828</u>
<u>\$ 4,791,467</u>	<u>\$ 588,563</u>	<u>\$ 5,380,030</u>

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

	<u>Program Services</u>		<u>Supporting Services</u>		
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 617,113	\$ 778,075	\$ 1,545,834	\$ 2,323,909	\$ 2,941,022
Payroll taxes and related benefits (Note 7)	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 (Note 6)	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 (Note 5):					
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
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Program Services</u>		<u>Supporting Services</u>		
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 74,881	\$ 315,581	\$ 2,407,745	\$ 2,723,326	\$ 2,798,207
Payroll taxes and related benefits (Note 7)	14,272	71,553	474,144	545,697	559,969
Depreciation and amortization	245	3,608	5,257	8,865	9,110
Computers and equipment	1,777	12,457	304,310	316,767	318,544
Insurance	3,250	10,827	37,454	48,281	51,531
Dues and subscriptions	17,995	137	3,967	4,104	22,099
Postage and delivery	33,157	1,114	739,049	740,163	773,320
Printing, productions and publications	59,061	722	571,751	572,473	631,534
List rental and processing fees	-	6,450	317,172	323,622	323,622
Professional fees and consulting	148,600	35,588	162,097	197,685	346,285
Licenses and permits	-	7,830	4,757	12,587	12,587
Supplies and office expenses	1,708	6,278	23,356	29,634	31,342
Rent and utilities (Note 6)	33,809	45,585	472,333	517,918	551,727
Telephone and communications	3,253	5,896	40,122	46,018	49,271
Travel, meetings and special events	18,153	11,608	140,332	151,940	170,093
Bank and merchant service charges	-	13,969	299,958	313,927	313,927
Marketing, advertising and recruitment	555	44,062	102,294	146,356	146,911
Online, telemarketing and face-to-face	175,742	-	1,461,603	1,461,603	1,637,345
Grants to UNHCR (Note 5):					
Transfers	9,109,087	-	-	-	9,109,087
In-kind	2,243,058	-	-	-	2,243,058
TOTAL	\$ 11,938,603	\$ 593,265	\$ 7,567,701	\$ 8,160,966	\$ 20,099,569

See accompanying notes to financial statements.

UNITED STATES ASSOCIATION FOR UNHCR
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 5,478,579	\$ 1,890,202
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Donated investments	(1,000,808)	-
Unrealized loss	1,884	-
Realized loss	32,666	353
Depreciation and amortization	8,208	9,110
(Increase) decrease in:		
Contributions receivable	(2,428,916)	(222,770)
Prepaid expenses	(684,928)	(385,442)
Deposits	(66,917)	(15,000)
Increase (decrease) in:		
Accounts payable and accrued liabilities	111,555	153,095
Deferred revenue	-	(25,000)
Due to UNHCR	<u>6,047,551</u>	<u>510,490</u>
Net cash provided by operating activities	<u>7,498,874</u>	<u>1,915,038</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and fixtures	-	(22,103)
Payments for leasehold improvements	<u>-</u>	<u>(8,516)</u>
Net cash used by investing activities	<u>-</u>	<u>(30,619)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale (purchases) of investments	<u>460,920</u>	<u>(1,669)</u>
Net cash provided (used) by financing activities	<u>460,920</u>	<u>(1,669)</u>
Net increase in cash and cash equivalents	7,959,794	1,882,750
Cash and cash equivalents at beginning of year	<u>6,889,127</u>	<u>5,006,377</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 14,848,921</u>	<u>\$ 6,889,127</u>

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015 AND 2014

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, 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.

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.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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

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, 2015 and 2014, investments on hand totaled \$521,213 and \$15,875, 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.

In-kind contributions -

During 2015 and 2014, USA for UNHCR received in-kind contributions totaling \$1,992,864 and \$2,243,058, respectively. 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). In-kind contributions for 2014 consisted of donated clothing (Cameroon), shoes (Syria and Uganda), tents (Ethiopia), solar lanterns (Rwanda), water systems (Mauritania) and transportation of winterization kits (Syria). 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.

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.

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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

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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

2. INVESTMENTS

Investments consisted of the following at December 31, 2015 and 2014:

	2015	2014
	Market Value	Market Value
Common Stocks	<u>\$ 521,213</u>	<u>\$ 15,875</u>

Included in investment income are the following:

	2015	2014
Interest and dividends	\$ 3,530	\$ 122
Unrealized loss	(1,884)	(353)
Realized loss	(32,666)	-
TOTAL INVESTMENT LOSS	<u>\$ (31,020)</u>	<u>\$ (231)</u>

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Program Services:		
Bake Sale for Babies	\$ -	\$ 402
Typhoons	-	875
HIVE/Digital/LG	<u>571,038</u>	<u>587,286</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 571,038</u>	<u>\$ 588,563</u>

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>2015</u>	<u>2014</u>
Grants to UNHCR	<u>\$ 14,560,712</u>	<u>\$ 5,008,677</u>

5. GRANTS TO UNHCR

During the years ended December 31, 2015 and 2014, USA for UNHCR made grants to the United Nations High Commissioner for Refugees (UNHCR) totaling \$28,518,094 and \$11,352,145, respectively. These grants were made for the purpose of supporting programs administered by UNHCR.

Following is a list of grants made during 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Cash Transfers:		
Afghan Shelter	\$ 25,025	\$ 139,730
Afghan Refugees	50	-
Bekka Valley Com. Ctr	49,376	-
Bake Sale for Babies	19,080	-
Chad Shelter	-	1,859
Chad-Sudan Emergency	9,368	517,026
Community Part. Visibility	30,000	25,000
Connectivity	282,300	-
Central African Republic	-	2,745
Democratic Republic of Congo	10	-
Education	7,850	-
Educate A Child	10,430	13,120
Emergency Supply Train	100,000	-
European/Med. Crisis	1,456,529	-
Food Crisis	25	-
Greatest Needs *	11,964,518	4,100,410
General Emergency	5,135,267	-
Greek Airlift	487,748	-
Innovation Unit	-	293,500
Iraq IDPs	600,422	18,462
Iraq Khanke IDP	-	1,027,000

UNITED STATES ASSOCIATION FOR UNHCR

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

5. GRANTS TO UNHCR (Continued)

	<u>2015</u>	<u>2014</u>
Cash Transfers (continued):		
Jordan/Lebanon	\$ 280,389	\$ -
LifeLine Jordan	1,922,822	-
Logistics Response Training	-	100,000
Myanmar - Burma	511	47,764
Nepal	226,251	-
Protection at Sea	100,000	30,000
Relief Link Initiative	25,000	200,000
Rohingya in Bangladesh	4,000	327,061
RHU	4,254	-
Rwanda Education	130,000	-
Shelter	10,000	-
Sister Schools	-	100,056
Somali Refugees	-	3,495
South Sudan	509,936	-
Syria Children	153,385	2,058,786
Syrian Greek/Serbia	500,000	-
Syria IDPs	6,050	-
Syria Emergency	1,753,065	-
Syria Winterization	279,371	-
Syria TTA	1,200	-
Typhoon	-	103,073
Ukraine	500	-
Uganda	200	-
Winterization	<u>440,298</u>	<u>-</u>
Subtotal - Cash Transfers	<u>26,525,230</u>	<u>9,109,087</u>
In-kind Donations:		
Cameroon	-	1,222,500
Ethiopia	-	405,720
Mauritania	-	46,384
Rwanda	340,706	114,500
Syria Emergency/IDPs	262,500	351,317
Uganda	203,032	102,637
Tanzania	270,300	-
Burkina Faso	293,250	-
South Sudan	336,546	-
Innovation Unit	91,530	-
European/Mediterranean Crisis	<u>195,000</u>	<u>-</u>
Subtotal - In-kind Donations	<u>1,992,864</u>	<u>2,243,058</u>
TOTAL GRANTS TO UNHCR	<u>\$ 28,518,094</u>	<u>\$ 11,352,145</u>

* Funded through unrestricted contributions and grants

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.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

6. LEASE COMMITMENTS (Continued)

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, 2015:

<u>Year Ending December 31,</u>	
2016	\$ 497,366
2017	515,297
2018	<u>256,791</u>
	<u>\$ 1,269,454</u>

Total rent and occupancy expense was \$478,158 and \$551,727, for the years ended December 31, 2015 and 2014, 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, 2015 and 2014 was \$92,259 and \$46,946, 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.

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

UNITED STATES ASSOCIATION FOR UNHCR

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8. FAIR VALUE MEASUREMENT (Continued)

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, 2015 and 2014.

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, 2015:

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

The table below summarizes, by level within the fair value hierarchy, USA for UNHCR's investments as of December 31, 2014:

	Quoted Prices in Active Markets for Identical <u>Assets (Level 1)</u>	Significant Other Observable <u>Inputs (Level 2)</u>	Significant Unobservable <u>Inputs (Level 3)</u>	Total December 31, <u>2014</u>
Asset Class:				
Common Stocks	\$ <u>15,875</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>15,875</u>

9. SUBSEQUENT EVENTS

In preparing these financial statements, USA for UNHCR has evaluated events and transactions for potential recognition or disclosure through May 5, 2016, the date the financial statements were issued.