

## **FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

**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.

#### Opinion

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, 2021 and 2020, 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.

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, 2021 and 2020, 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.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USA for UNHCR and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 USA for UNHCR'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA for UNHCR'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.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

May 13, 2022

## UNITED STATES ASSOCIATION FOR UNHCR

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2021 AND 2020

## ASSETS

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 23,995,651	\$ 15,985,363
Grants and contributions receivable, net	5,300,957	4,107,478
Inventory of donated goods	46,332,192	3,525,000
Prepaid expenses	663,545	1,255,998
Furniture and equipment, net	771,964	62,991
Right-of-use assets, net	4,603,114	5,127,761
Deposits	152,196	152,196
Gift annuity receivable	<u>91,685</u>	<u>63,028</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 81,911,304</u></b>	<b><u>\$ 30,279,815</u></b>

## LIABILITIES AND NET ASSETS

## LIABILITIES

Loan payable	\$ -	\$ 1,082,100
Accounts payable and accrued liabilities	3,675,972	1,835,395
Deferred revenue	100,000	100,000
Deferred revenue - Gift-in-kind	46,332,192	-
Due to UNHCR	14,602,491	4,576,848
Operating lease liabilities	<u>5,266,822</u>	<u>5,782,009</u>
Total liabilities	<u>69,977,477</u>	<u>13,376,352</u>

## NET ASSETS

Without donor restrictions	8,062,044	14,819,860
With donor restrictions	<u>3,871,783</u>	<u>2,083,603</u>
Total net assets	<u>11,933,827</u>	<u>16,903,463</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 81,911,304</u></b>	<b><u>\$ 30,279,815</u></b>

**UNITED STATES ASSOCIATION FOR UNHCR**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Operations</u>	<u>Special Project (Gift-In-Kind)</u>	<u>Total Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>					
Contributions and grants	\$ 35,801,465	\$ -	\$ 35,801,465	\$ 17,085,917	\$ 52,887,382
Contributions from UNHCR	10,040,957	-	10,040,957	-	10,040,957
In-kind contributions	1,785,644	68,554,285	70,339,929	-	70,339,929
Interest and investment income, net	7,386	-	7,386	-	7,386
Net assets released from donor restrictions - satisfaction of donor restrictions	<u>15,297,737</u>	<u>-</u>	<u>15,297,737</u>	<u>(15,297,737)</u>	<u>-</u>
Total revenue	<u>62,933,189</u>	<u>68,554,285</u>	<u>131,487,474</u>	<u>1,788,180</u>	<u>133,275,654</u>
<b>EXPENSES</b>					
Program Services:					
Refugee Programs and Awareness Activities	<u>36,852,764</u>	<u>78,210,577</u>	<u>115,063,341</u>	<u>-</u>	<u>115,063,341</u>
Supporting Services:					
Management and General	3,477,316	-	3,477,316	-	3,477,316
Fundraising	<u>20,786,733</u>	<u>-</u>	<u>20,786,733</u>	<u>-</u>	<u>20,786,733</u>
Total supporting services	<u>24,264,049</u>	<u>-</u>	<u>24,264,049</u>	<u>-</u>	<u>24,264,049</u>
Total expenses	<u>61,116,813</u>	<u>78,210,577</u>	<u>139,327,390</u>	<u>-</u>	<u>139,327,390</u>
Change in net assets before other items	1,816,376	(9,656,292)	(7,839,916)	1,788,180	(6,051,736)
<b>OTHER ITEMS</b>					
Forgiveness of debt	1,082,100	-	1,082,100	-	1,082,100
Transfer	<u>(9,656,292)</u>	<u>9,656,292</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net assets	(6,757,816)	-	(6,757,816)	1,788,180	(4,969,636)
Net assets at beginning of year	<u>14,819,860</u>	<u>-</u>	<u>14,819,860</u>	<u>2,083,603</u>	<u>16,903,463</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 8,062,044</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,062,044</u></b>	<b><u>\$ 3,871,783</u></b>	<b><u>\$ 11,933,827</u></b>

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

	<u>Operations</u>	<u>Special Project (Gift-In-Kind)</u>	<u>Total Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUE</b>					
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, net	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>
<b>EXPENSES</b>					
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 assets before other item	5,566,591	(2,702,668)	2,863,923	-	2,131,272
<b>OTHER ITEM</b>					
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>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 14,819,860</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 14,819,860</u></b>	<b><u>\$ 2,083,603</u></b>	<b><u>\$ 16,903,463</u></b>

## UNITED STATES ASSOCIATION FOR UNHCR

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services		Supporting Services		Total Expenses
	Refugee Programs and Awareness Activities	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 2,567,647	\$ 1,266,936	\$ 3,196,620	\$ 4,463,556	\$ 7,031,203
Payroll taxes and related benefits	572,386	311,095	799,584	1,110,679	1,683,065
Depreciation	15,795	13,495	157,737	171,232	187,027
Computers and equipment	18,786	146,700	1,182,374	1,329,074	1,347,860
Insurance	10,893	10,980	19,305	30,285	41,178
Dues and subscriptions	57,464	87,115	35,694	122,809	180,273
Postage and delivery	290	3,157	25,127	28,284	28,574
Printing, productions and publications	15,348	34,665	3,624,539	3,659,204	3,674,552
List rental and processing fees	-	-	589,675	589,675	589,675
Professional fees and consulting	569,914	1,055,529	3,557,934	4,613,463	5,183,377
Licenses and permits	22,132	76,035	492,807	568,842	590,974
Supplies and office expenses	5,751	66,557	32,846	99,403	105,154
Rent and utilities	481,772	104,294	227,407	331,701	813,473
Telephone and communications	753	53,666	16	53,682	54,435
Travel, meetings and special events	192,786	238,170	67,416	305,586	498,372
Bank and merchant service charges	-	8,694	760,846	769,540	769,540
Online, telemarketing and face-to-face	99,798	228	6,016,806	6,017,034	6,116,832
Special project services	6,136,293	-	-	-	6,136,293
Grants to other organizations:					
Cash transfers	555,000	-	-	-	555,000
No-go donation	11,207,950	-	-	-	11,207,950
Grants to UNHCR:					
Cash transfers	29,910,605	-	-	-	29,910,605
Donated goods	62,621,978	-	-	-	62,621,978
<b>TOTAL</b>	<b>\$ 115,063,341</b>	<b>\$ 3,477,316</b>	<b>\$ 20,786,733</b>	<b>\$ 24,264,049</b>	<b>\$ 139,327,390</b>

See accompanying notes to financial statements



## 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
<b>TOTAL</b>	<b>\$ 72,869,668</b>	<b>\$ 2,938,243</b>	<b>\$ 18,932,063</b>	<b>\$ 21,870,306</b>	<b>\$ 94,739,974</b>

See accompanying notes to financial statements

**UNITED STATES ASSOCIATION FOR UNHCR**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (4,969,636)	\$ 2,131,272
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Realized loss (gain)	8,322	(25,873)
Depreciation	187,027	90,087
Forgiveness of debt	(1,082,100)	-
Change in measurement of right-of-use asset and change in lease liability	9,460	28,868
Deferred revenue - Gift-in-kind	46,332,192	-
Receipt of donated securities	1,260,916	2,067,531
Proceeds from donated securities	(1,260,916)	(2,067,531)
Inventory of donated goods	(42,807,192)	(3,525,000)
(Increase) decrease in:		
Grants and contributions receivable	(1,193,479)	(260,426)
Prepaid expenses	592,453	(378,235)
Gift annuity receivable	(28,657)	(63,028)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,840,577	91,823
Deferred revenue	-	100,000
Due to UNHCR	<u>10,025,643</u>	<u>(491,027)</u>
Net cash provided (used) by operating activities	<u>8,914,610</u>	<u>(2,301,539)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of computers and equipment	(896,000)	-
Net proceeds from sale of investments	<u>(8,322)</u>	<u>25,873</u>
Net cash (used) provided by investing activities	<u>(904,322)</u>	<u>25,873</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan payable	<u>-</u>	<u>1,082,100</u>
Net cash provided by financing activities	<u>-</u>	<u>1,082,100</u>
Net increase (decrease) in cash and cash equivalents	8,010,288	(1,193,566)
Cash and cash equivalents at beginning of year	<u>15,985,363</u>	<u>17,178,929</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 23,995,651</u></b>	<b><u>\$ 15,985,363</u></b>

## UNITED STATES ASSOCIATION FOR UNHCR

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

#### 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. 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, 2021 and 2020, 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.

##### Grants and contributions receivable -

Grants and contributions receivable are stated at their net realizable value. Management considers all amounts to be fully collectable.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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

Grants and contributions receivable (continued) -

Receivables that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. All receivables are considered by management to be fully collectable. 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 primarily using UNHCR's methodology for fair value. At December 31, 2021 and 2020, USA for UNHCR had inventory of donated goods in the amount of \$46,332,192 and \$3,525,000, respectively. 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, 2021 and 2020, 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, 2021 AND 2020

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

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 or USA for UNHCR if not restricted by the donor. The balance in Due to UNHCR are the funds received but not yet transferred to UNHCR. The balances at December 31, 2021 and 2020 totaled \$14,602,491 and \$4,576,848, respectively.

In-kind contributions -

During 2021 and 2020, USA for UNHCR received in-kind contributions totaling \$70,339,929 and \$41,057,050, respectively. In-kind contributions for 2021 consisted of donated clothing, transportation services, shipping costs, professional services, and hand sanitizer. In-kind contributions for 2020 consisted of donated face shields, 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 -

USA for UNHCR receives contributions, including unconditional promises to give, from many sources as well as grants from organizations and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. USA for UNHCR performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

For contributions and grants qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants qualifying as contributions that are unconditional that have 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 qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and awards from other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional.

Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue. For contributions and grants treated as contributions, USA for UNHCR did not have contributions that are considered conditional at December 31, 2021 and 2020.

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.

UNITED STATES ASSOCIATION FOR UNHCR

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020

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

Allocation of functional expenses (continued) -

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*. 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.

New accounting pronouncement not yet adopted -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

USA for UNHCR has always recorded gifts in kind on the face of their financial statements. USA for UNHCR plans to adopt the remaining elements of the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

**UNITED STATES ASSOCIATION FOR UNHCR**

**NOTES TO FINANCIAL STATEMENTS  
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**2. GRANTS AND CONTRIBUTIONS RECEIVABLE**

As of December 31, 2021 and 2020, contributors to USA for UNHCR have made written promises to give totaling \$5,300,957 and \$4,107,478, respectively. Amounts due beyond one year of the Statements of Financial Position date have been recorded at the present value of the estimated cash flows, using a discount rate of 1.26%. Contributions are due as follows at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Less than one year	\$ 4,301,689	\$ 4,107,478
One to five years	<u>1,026,600</u>	<u>-</u>
Total	5,328,289	4,107,478
Less: Allowance to discount balance to present value	<u>(27,332)</u>	<u>-</u>
<b>GRANTS AND CONTRIBUTIONS RECEIVABLE, NET</b>	<b><u>\$ 5,300,957</u></b>	<b><u>\$ 4,107,478</u></b>

**3. FURNITURE AND EQUIPMENT**

Furniture and equipment consisted of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Computer software and hardware	\$ 969,041	\$ 73,042
Equipment	<u>252,232</u>	<u>252,232</u>
Total furniture and equipment	1,221,273	325,274
Less: Accumulated depreciation and amortization	<u>(449,309)</u>	<u>(262,283)</u>
<b>FURNITURE AND EQUIPMENT, NET</b>	<b><u>\$ 771,964</u></b>	<b><u>\$ 62,991</u></b>

**4. 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. USA for UNHCR used the proceeds for purposes consistent with the Paycheck Protection Program and believed that the use of the loan proceeds met the conditions for forgiveness of the loan. USA for UNHCR applied for and received full forgiveness from the Small Business Administration.

**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Program Services:		
Grant Commitments to UNHCR	\$ 2,580,097	\$ 2,020,575
Time Restricted - General Support	<u>1,291,686</u>	<u>63,028</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 3,871,783</u></b>	<b><u>\$ 2,083,603</u></b>

**UNITED STATES ASSOCIATION FOR UNHCR**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**6. 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:

	<b>2021</b>	<b>2020</b>
<b>Grants to UNHCR</b>	<b><u>\$ 15,297,737</u></b>	<b><u>\$ 11,674,978</u></b>

**7. 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, 2021 and 2020 is as follows:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 23,995,651	\$ 15,985,363
Grants and contributions receivable	<u>5,300,957</u>	<u>4,107,478</u>
Total financial assets	29,296,608	20,092,841
Less: Funds subject to donor-imposed purpose restrictions	<u>(3,871,783)</u>	<u>(2,083,603)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 25,424,825</u></b>	<b><u>\$ 18,009,238</u></b>

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, 2021 and 2020, USA for UNHCR has financial assets equal to approximately two months of operating expenses.

**8. LEASE COMMITMENTS**

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. USA for UNHCR also entered into an eleven year lease agreement for office space in Washington, D.C. USA for UNHCR will not be required to make rent payments for the first twelve 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.



**UNITED STATES ASSOCIATION FOR UNHCR**

**NOTES TO FINANCIAL STATEMENTS  
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**8. LEASE COMMITMENTS (Continued)**

USA for UNHCR adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. 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, 2021 and 2020, the unamortized right-of-use assets were valued at \$4,603,114 and \$5,127,761, respectively, and the unamortized operating lease liabilities were valued at \$5,266,822 and \$5,782,009, respectively.

Following is a schedule of future minimum lease commitments as of December 31, 2021:

**Year Ending December 31,**

2022	\$ 814,076
2023	845,745
2024	875,373
2025	897,280
2026	919,706
Thereafter	<u>1,971,606</u>
Sub-total	6,323,786
Less: Imputed Interest	<u>(1,056,965)</u>
<b>TOTAL</b>	<b><u>\$ 5,266,821</u></b>

Rent and utilities expense totaled \$813,473 and \$817,023, for the years ended December 31, 2021 and 2020, respectively.

USA for UNHCR entered into a sublease that commenced on November 1, 2021 and will expire on October 31, 2022. Annual rent is \$30,000 and is recorded in rent and utilities.

**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. Per the plan, USA for UNHCR will contribute 8% of each eligible employee's annual salary. Retirement expense for the years ended December 31, 2021 and 2020 totaled \$479,197 and \$443,259, respectively.

**10. GIFTS IN KIND**

USA for UNHCR created a gifts in kind program where USA for UNHCR receives clothing and other goods from various manufacturers and donates those goods to UNHCR or other qualifying organizations. USA for UNHCR has entered into an agreement with a non-profit organization to manage receipt, storage, and disbursement segments of the gifts in kind program. UNHCR's policy is to record the gifts as inventory and deferred revenue until the goods are disbursed to UNHCR or other qualifying organizations.

For the years ended December 31, 2021 and 2020, USA for UNHCR recorded \$68,554,285 and \$35,028,488 in gift in kind revenue, respectively. For the years ended December 31, 2021 and 2020, USA for UNHCR recorded \$78,210,577 and \$37,731,156 in gift in kind expenses, respectively.

**UNITED STATES ASSOCIATION FOR UNHCR**

**NOTES TO FINANCIAL STATEMENTS  
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**11. SUBSEQUENT EVENTS**

In preparing these financial statements, USA for UNHCR has evaluated events and transactions for potential recognition or disclosure through May 13, 2022, the date the financial statements were issued.