



## U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

Consolidated Financial Statements,  
Supplemental Information, Schedule of  
Expenditures of Federal Awards, and  
Independent Auditor's Reports Required by  
*Government Auditing Standards* and the  
Uniform Guidance  
Years Ended September 30, 2017 and 2016

U.S. Committee for Refugees and  
Immigrants, Inc. and Related Entity

---

Consolidated Financial Statements, Supplemental Information,  
Schedule of Expenditures of Federal Awards, and Independent  
Auditor's Reports Required by *Government Auditing Standards*  
and the Uniform Guidance  
Years Ended September 30, 2017 and 2016

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Contents

---

Independent Auditor's Report	3-4
Consolidated Financial Statements	
Consolidated Statements of Financial Position	5
Consolidated Statements of Activities	6-7
Consolidated Statements of Functional Expenses	8-9
Consolidated Statements of Cash Flows	10
Notes to Consolidated Financial Statements	11-20
Schedule of Expenditures of Federal Awards	
Schedule of Expenditures of Federal Awards	21-22
Notes to Schedule of Expenditure of Federal Awards	23
Independent Auditor's Reports Required by <i>Government Auditing Standards</i> and the Uniform Guidance	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24-25
Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	26-27
Schedule of Findings and Questioned Costs	28-29
Schedules of Determination of Indirect Cost Rates	
Schedule of Fringe Benefit and Salary Expenditures	30
Schedule of Overhead and General and Administrative Expenses	31
Schedule of Determination of Indirect Cost Rates	32
Notes to Schedule of Determination of Indirect Cost Rates	33-34



Tel: 703-893-0600  
Fax: 703-893-2766  
www.bdo.com

8401 Greensboro Drive  
Suite 800  
McLean, VA 22102

## Independent Auditor's Report

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

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of U.S. Committee for Refugees and Immigrants, Inc. and Related Entity, which comprise the statements of consolidated financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of U.S. Committee for Refugees and Immigrants, Inc. and Related Entity as of September 30, 2017 and 2016, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules of fringe benefit and salary expenditures, overhead and general and administrative expenses and determination of indirect cost rates and the related notes to these schedules are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018 on our consideration of U.S. Committee for Refugees and Immigrants, Inc. and its Related Entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of U.S. Committee for Refugees and Immigrants, Inc. and its Related Entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering U.S. Committee for Refugees and Immigrants, Inc. and its related entity's internal control over financial reporting and compliance.

BDO USA, LLP

April 23, 2018

## Consolidated Financial Statements

---

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Consolidated Statements of Financial Position

<i>September 30,</i>	2017	2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,883,189	\$ 5,306,165
Grants receivable	7,012,580	4,644,245
Accounts receivable, net of allowance for uncollectible accounts of \$131,552 in 2017 and \$16,987 in 2016	905,922	1,397,775
Prepaid expenses	370,562	386,113
Advances and other assets	99,917	113,227
<b>Total current assets</b>	<b>12,272,170</b>	<b>11,847,525</b>
<b>Noncurrent assets</b>		
Investments	4,715,169	4,250,889
Property and equipment, net	902,865	1,009,729
<b>Total noncurrent assets</b>	<b>5,618,034</b>	<b>5,260,618</b>
<b>Total assets</b>	<b>17,890,204</b>	<b>17,108,143</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	1,064,557	1,236,213
Grants payable to affiliated agencies	4,871,067	3,890,772
Deferred revenue	847,676	1,827,341
IOM liability	435,609	307,040
Deferred rent liability	152,681	140,263
<b>Total current liabilities</b>	<b>7,371,590</b>	<b>7,401,629</b>
<b>Noncurrent liabilities</b>		
Deferred rent liability	522,757	634,221
<b>Total liabilities</b>	<b>7,894,347</b>	<b>8,035,850</b>
<b>Commitments and contingencies</b>		
<b>Net assets</b>		
Unrestricted		
Board designated	9,818,986	8,572,293
Temporarily restricted	176,871	500,000
<b>Total net assets</b>	<b>9,995,857</b>	<b>9,072,293</b>
<b>Total liabilities and net assets</b>	<b>\$ 17,890,204</b>	<b>\$ 17,108,143</b>

*See accompanying notes to consolidated financial statements.*

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Consolidated Statement of Activities

*Year ended September 30, 2017*

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and support</b>			
Government grants	\$ 73,176,796	\$ -	\$ 73,176,796
Foundation grants and other contributions	1,221,059	320,000	1,541,059
IOM collection fees	1,913,761	-	1,913,761
Program service fees	1,487,865	-	1,487,865
Investment return	501,131	-	501,131
Member agency dues	101,700	-	101,700
Other revenue	125,986	-	125,986
Net assets released from restrictions	643,129	(643,129)	-
<b>Total revenue and support</b>	<b>79,171,427</b>	<b>(323,129)</b>	<b>78,848,298</b>
<b>Expenses</b>			
<b>Program services</b>			
Refugee Services Division	35,952,249	-	35,952,249
MRD Programs	24,851,983	-	24,851,983
Vermont programs	2,634,006	-	2,634,006
Erie programs	2,369,506	-	2,369,506
Raleigh programs	2,230,327	-	2,230,327
Des Moines programs	2,155,273	-	2,155,273
Albany programs	2,059,065	-	2,059,065
Cleveland Programs	1,865,486	-	1,865,486
Dearborn programs	1,814,132	-	1,814,132
International Organization for Migration	480,597	-	480,597
Rutland Program	118,568	-	118,568
Discovering Homes	11,044	-	11,044
<b>Total program services</b>	<b>76,542,236</b>	<b>-</b>	<b>76,542,236</b>
<b>Supporting services</b>			
Management and general	1,053,349	-	1,053,349
Fundraising	329,149	-	329,149
<b>Total supporting services</b>	<b>1,382,498</b>	<b>-</b>	<b>1,382,498</b>
<b>Total expenses</b>	<b>77,924,734</b>	<b>-</b>	<b>77,924,734</b>
<b>Change in net assets</b>	<b>1,246,693</b>	<b>(323,129)</b>	<b>923,564</b>
<b>Net assets, beginning of year</b>	<b>8,572,293</b>	<b>500,000</b>	<b>9,072,293</b>
<b>Net assets, end of year</b>	<b>\$ 9,818,986</b>	<b>\$ 176,871</b>	<b>\$ 9,995,857</b>

*See accompanying notes to consolidated financial statements.*



# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Consolidated Statement of Activities

*Year ended September 30, 2016*

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and support</b>			
Government grants	\$ 53,600,108	\$ -	\$ 53,600,108
Foundation grants and other contributions	908,107	500,000	1,408,107
Contribution received in the acquisition of ISC assets	304,900	-	304,900
IOM collection fees	1,903,367	-	1,903,367
Program service fees	1,780,893	-	1,780,893
Investment return	317,526	-	317,526
Member agency dues	102,300	-	102,300
Other revenue	23,899	-	23,899
Net assets released from restrictions	476,400	(476,400)	-
<b>Total revenue and support</b>	<b>59,417,500</b>	<b>23,600</b>	<b>59,441,100</b>
<b>Expenses</b>			
<b>Program services</b>			
Refugee Services Division	41,570,773	-	41,570,773
Vermont programs	2,765,055	-	2,765,055
Erie programs	2,191,837	-	2,191,837
Raleigh programs	2,842,460	-	2,842,460
Des Moines programs	2,156,719	-	2,156,719
Albany programs	1,961,138	-	1,961,138
Cleveland programs	165,212	-	165,212
Dearborn programs	2,334,896	-	2,334,896
International Organization for Migration	441,946	-	441,946
<b>Total program services</b>	<b>56,430,036</b>	<b>-</b>	<b>56,430,036</b>
<b>Supporting services</b>			
Management and general	1,656,987	-	1,656,987
Fundraising	347,517	-	347,517
<b>Total supporting services</b>	<b>2,004,504</b>	<b>-</b>	<b>2,004,504</b>
<b>Total expenses</b>	<b>58,434,540</b>	<b>-</b>	<b>58,434,540</b>
<b>Change in net assets</b>	<b>982,960</b>	<b>23,600</b>	<b>1,006,560</b>
<b>Net assets, beginning of year</b>	<b>7,589,333</b>	<b>476,400</b>	<b>8,065,733</b>
<b>Net assets, end of year</b>	<b>\$ 8,572,293</b>	<b>\$ 500,000</b>	<b>\$ 9,072,293</b>

*See accompanying notes to consolidated financial statements.*

# U. S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Consolidated Statement of Functional Expenses

Year ended September 30, 2017	Program Services												Supporting Services				Total
	Refugee Services Division	MRD Programs	Vermont Programs	Erie Programs	Raleigh Programs	Des Moines Programs	Albany Programs	Cleveland Programs	Dearborn Programs	International Organization for Migration	Rutland Program	Discovering Homes	Total Programs Services	Management and General	Fundraising	Total Supporting Services	
Agency / contractual payments	\$ 30,078,855	\$ 22,096,406	14,343	\$ 112,458	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 52,302,062	-	\$ -	\$ -	\$ 52,302,062
Direct refugee assistance	27,791	-	602,156	601,235	552,794	747,508	688,224	461,031	814,680	-	25,650	-	4,521,069	55,055	-	55,055	4,576,124
Salaries	2,729,146	710,070	973,468	783,545	859,642	715,198	707,431	589,360	457,761	205,504	47,532	-	8,778,657	2,621,109	182,188	2,803,297	11,581,954
Fringe benefits	645,036	144,331	287,912	299,443	282,109	201,177	153,818	178,022	194,747	52,424	7,050	-	2,446,069	680,539	48,488	729,027	3,175,096
Occupancy	464,820	147,437	104,455	26,092	80,519	72,244	70,960	80,941	47,189	36,518	5,869	-	1,137,044	228,579	31,356	259,935	1,396,979
Training and staff development	23,442	960	0	432	160	386	-	-	-	-	-	-	25,380	4,766	-	4,766	30,146
Professional fees	172,926	67,077	27,626	69,203	28,511	21,248	39,984	78,777	10,830	5,311	1,219	-	522,712	357,594	8,046	365,640	888,352
Advertising	1,220	1,545	0	90	1,200	300	270	-	-	-	270	-	4,895	18,215	945	19,160	24,055
Printing and reproduction	67,585	1,028,847	45,394	17,907	15,265	11,042	15,553	17,005	11,380	39,115	9,017	150	1,278,260	132,299	14,896	147,195	1,425,455
Equipment rental and repair	43,853	26,579	1,086	27,438	8,773	10,428	10,450	11,509	280	1,257	1,210	1,810	144,673	42,485	3,081	45,566	190,239
Telephone and communications	61,143	13,939	26,832	19,153	33,025	22,017	17,137	16,649	13,179	2,148	5,958	-	231,180	44,526	2,327	46,853	278,033
Postage and shipping	8,665	1,486	1,608	1,545	3,843	1,753	2,147	1,898	83	40,756	19	-	63,803	11,253	12,574	23,827	87,630
Insurance	35,135	17,164	8,268	20,893	17,281	12,572	9,456	45,276	8,360	1,965	504	-	176,874	25,676	2,273	27,949	204,823
Travel	138,981	103,421	64,276	13,970	42,218	47,217	18,107	46,800	12,141	-	3,935	-	491,066	97,684	3,873	101,557	592,623
Conferences and meetings	3,514	3,805	(2,424)	(2,853)	1,331	682	(2,644)	602	257	196	-	-	2,466	75,020	1,114	76,134	78,600
Bank and finance charges	12,734	-	556	1,026	-	-	(1,104)	3,177	-	99,788	-	53	116,230	59,315	2,733	62,048	178,278
Provision for bad debt	(438)	70,635	258	6,022	(10,036)	(22,445)	(11,737)	9,786	(2,470)	-	-	-	39,575	246,753	-	246,753	286,328
Outside services and consulting	1,080	847	5,446	9,912	579	426	323	11,042	256	897	38	-	30,846	138,664	2,208	140,872	171,718
Miscellaneous expenses	86,719	2,740	9,970	5,998	4,123	4,528	3,159	3,425	5,660	(10,033)	325	262	116,876	(25,323)	718	(24,605)	92,271
Subscriptions and references	52,251	-	2,377	6,972	2,788	3,456	1,718	1,909	1,180	4,751	199	-	77,601	126,241	12,329	138,570	216,171
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	8,769	8,769	139,028	-	139,028	147,797
Total before overhead allocation	34,654,458	24,437,289	2,173,607	2,020,481	1,924,125	1,849,737	1,723,252	1,557,209	1,575,513	480,597	108,795	11,044	72,516,107	5,079,478	329,149	5,408,627	77,924,734
Overhead allocation	1,297,791	414,694	460,399	349,025	306,202	305,536	335,813	308,277	238,619	-	9,773	-	4,026,129	(4,026,129)	-	(4,026,129)	-
Total expenses, after overhead allocation	\$ 35,952,249	\$ 24,851,983	\$ 2,634,006	\$ 2,369,506	\$ 2,230,327	\$ 2,155,273	\$ 2,059,065	\$ 1,865,486	\$ 1,814,132	\$ 480,597	\$ 118,568	\$ 11,044	\$ 76,542,236	\$ 1,053,349	\$ 329,149	\$ 1,382,498	\$ 77,924,734

See accompanying notes to consolidated financial statements.

# U. S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Consolidated Statement of Functional Expenses

Program Services											Supporting Services				
Year ended September 30, 2016	Refugee Services Division	Vermont Programs	Erie Programs	Raleigh Programs	Des Moines Programs	Albany Programs	Cleveland Programs	Dearborn Programs	International Organization for Migration	Total Programs Services	Management and General	Fundraising	Total Supporting Services	Total	
Agency / contractual payments	\$ 35,889,026	\$ -	\$ 29,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,918,227	\$ -	\$ -	\$ -	\$ 35,918,227	
Direct refugee assistance	-	740,291	718,519	740,433	932,558	846,911	44,243	1,204,413	-	5,227,368	1,479	24,203	25,682	5,253,050	
Salaries	2,348,097	1,000,691	691,756	1,059,998	599,137	524,251	58,915	513,236	164,876	6,960,957	2,586,963	171,128	2,758,091	9,719,048	
Fringe benefits	559,533	304,513	284,593	289,976	204,505	138,633	3,278	210,945	42,661	2,038,637	724,671	34,561	759,232	2,797,869	
Occupancy	376,396	92,274	21,768	77,738	49,679	61,090	4,106	50,327	29,494	762,872	356,084	37,245	393,329	1,156,201	
Training and staff development	16,410	-	175	118	-	-	-	-	-	16,703	2,573	1,200	3,773	20,476	
Professional fees	310,963	26,568	35,681	43,133	16,395	18,087	25,208	14,209	5,757	496,001	477,961	22,187	500,148	996,149	
Advertising	2,188	310	110	750	1,181	1,070	-	90	-	5,699	5,715	580	6,295	11,994	
Printing and reproduction	95,240	31,277	21,503	42,281	16,816	26,051	1,214	11,693	38,594	284,669	42,528	29,065	71,593	356,262	
Equipment rental and repair	61,918	2,941	32,249	22,426	9,740	16,641	2,958	506	1,878	151,257	27,136	5,545	32,681	183,938	
Telephone and communications	104,335	15,699	18,804	19,106	13,233	18,457	3,132	11,767	1,550	206,083	36,778	1,667	38,445	244,528	
Postage and shipping	7,175	1,763	1,656	5,071	979	6,467	-	237	44,801	68,149	9,172	5,106	14,278	82,427	
Insurance	40,361	18,173	24,178	21,754	7,056	13,009	-	11,689	3,018	139,238	29,906	3,661	33,567	172,805	
Travel	208,682	67,254	15,007	104,187	46,572	28,324	4,785	28,481	269	503,561	208,958	2,002	210,960	714,521	
Conferences and meetings	172,263	6,473	983	5,956	2,058	2,167	-	7,083	13	196,996	34,064	193	34,257	231,253	
Bank and finance charges	9,571	395	1,485	1,048	-	1,457	-	139	101,492	115,587	54,655	4,018	58,673	174,260	
Outside services and consulting	102,908	9,304	2,741	4,937	5,987	2,307	156	3,728	1,850	133,918	34,319	2,141	36,460	170,378	
Miscellaneous expenses	1,038	2,177	498	769	833	-	1,574	-	-	6,889	(902)	-	(902)	5,987	
Subscriptions and references	18,511	108	214	1,083	102	736	290	72	5,693	26,809	45,126	3,015	48,141	74,950	
Childcare food	-	-	8,423	-	-	-	-	-	-	8,423	-	-	-	8,423	
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	141,794	-	141,794	141,794	
Total before overhead allocation	40,324,615	2,320,211	1,909,544	2,440,764	1,906,831	1,705,658	149,859	2,068,615	441,946	53,268,043	4,818,980	347,517	5,166,497	58,434,540	
Overhead allocation	1,246,158	444,844	282,293	401,696	249,888	255,480	15,353	266,281	-	3,161,993	(3,161,993)	-	(3,161,993)	-	
Total expenses, after overhead allocation	\$ 41,570,773	\$ 2,765,055	\$ 2,191,837	\$ 2,842,460	\$ 2,156,719	\$ 1,961,138	\$ 165,212	\$ 2,334,896	\$ 441,946	\$ 56,430,036	\$ 1,656,987	\$ 347,517	\$ 2,004,504	\$ 58,434,540	

See accompanying notes to consolidated financial statements.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Consolidated Statements of Cash Flows

<i>Years ended September 30,</i>	<b>2017</b>	<b>2016</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 923,564	\$ 1,006,560
<b>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:</b>		
Depreciation and amortization	147,797	141,794
Investment gain	(405,128)	(205,997)
Write off and change in allowance for doubtful accounts	114,565	-
Contribution received in the acquisition of ISC assets	-	(304,900)
<b>(Increase) decrease in assets</b>		
Grants receivable	(2,368,335)	1,615,046
Accounts receivable	377,288	(739,051)
Prepaid expenses	15,551	55,605
Advances and other assets	13,310	(50,754)
<b>Increase (decrease) in liabilities</b>		
Accounts payable and accrued expenses	(171,656)	513,454
Grants payable to affiliated agencies	980,295	(408,364)
Deferred revenue	(979,665)	1,105,771
IOM liability	128,569	(100,586)
Deferred rent liability	(99,046)	(6,518)
<b>Net cash (used in) provided by operating activities</b>	<b>(1,322,891)</b>	<b>2,622,060</b>
<b>Cash flows from investing activities</b>		
Purchases of investments	(94,969)	(1,009,442)
Proceeds from sale of investments	35,817	930,118
Purchases of property and equipment	(40,933)	(158,966)
<b>Net cash used in investing activities</b>	<b>(100,085)</b>	<b>(238,290)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(1,422,976)</b>	<b>2,383,770</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,306,165</b>	<b>2,922,395</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,883,189</b>	<b>\$ 5,306,165</b>
<b>Non-cash investing and financing activities:</b>		
Tenant improvement allowance	\$ -	\$ 266,630

*See accompanying notes to consolidated financial statements.*

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

### 1. Organization and Summary of Significant Accounting Policies

#### *Organization Purpose and Consolidation*

U.S. Committee for Refugees and Immigrants, Inc. is a national, non-profit, nonsectarian organization incorporated during 1917 that provides services to refugees, immigrants, and other people in migration both in the United States and abroad. U.S. Committee for Refugees and Immigrants, Inc.'s mission is to address the needs and rights of persons in forced or voluntary migration worldwide through advocacy for fair and humane public policy, to facilitate and provide direct professional services, and to promote the full participation of migrants in their new communities. Funding is derived primarily through government grants.

On August 30, 2016, U.S. Committee for Refugees and Immigrants, Inc. acquired all of the assets of International Service Center of Cleveland, Ohio (ISC), a not-for-profit corporation, including its membership interest in Discovering Homes, LLC, an Ohio for-profit limited liability company.

The consolidated financial statements include the accounts of Discovering Homes, LLC and the U.S. Committee for Refugees and Immigrants, Inc. (collectively referred to as USCRI). All significant transactions between the organizations have been eliminated in consolidation.

#### *Basis of Accounting*

The consolidated financial statements of USCRI have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### *Cash and Cash Equivalents*

Cash and cash equivalents include operating cash accounts and all liquid investments with original maturities of three months or less, excluding money market funds held as part of investments.

#### *Grants Receivable*

Grants receivable consist of expenses incurred which are due to be reimbursed and per capita earnings based on the number of refugees and immigrants serviced under the terms of USCRI's federal grants. All grants receivable amounts are due within one year and are expected to be fully collectible.

#### *Accounts Receivable*

Accounts receivable that are expected to be collected within one year are recorded at their net realizable value.

An allowance for doubtful accounts is provided based on management's evaluation of potential uncollectible accounts receivable at year-end. Accounts receivable are written off if reasonable collection efforts prove unsuccessful. All accounts receivable amounts are due within one year.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

### *Investments*

Investments consist of money market funds held for long-term investment purposes, U.S. government obligations, corporate and municipal bonds and equities. Changes in the market value of investments are included in investment return in the accompanying consolidated statements of activities.

Money market funds held in the investment portfolios are considered investments, as the funds are not intended to be used for general operating purposes.

### *Property and Equipment*

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 27.5 years, or the lesser of the minimum lease period or the asset's useful life for leasehold improvements. Expenditures for major repairs and improvements above \$5,000 are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred.

Upon the retirement or disposal of assets, the cost and accumulated depreciation or amortization are eliminated from the respective accounts and the resulting gain or loss is included in revenue or expenses.

### *Impairment of Long-Lived Assets*

USCRI 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 asset is reduced, by a charge to the consolidated statements of activities, to its current fair value.

### *Classification of Net Assets*

The net assets of USCRI are reported as follows:

- Unrestricted board designated net assets represent the portion of expendable funds that are available for support of USCRI's operations.
- Temporarily restricted net assets represent funds which are specifically restricted by donors for various programs for future periods.
- Permanently restricted net assets consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of USCRI. The restrictions stipulate that resources be maintained permanently but permit USCRI to expend the income generated in accordance with the provisions of the agreement.

USCRI had no permanently restricted net assets at September 30, 2017 or 2016.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

### *Revenue and Support*

USCRI reports grants and contributions as temporarily restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statements of activities as net assets released from restrictions.

USCRI has grants with United States government agencies in exchange for services. Revenue from the grants is recognized as costs are incurred on the basis of direct costs plus allowable indirect costs and other grants are recognized on a per capita basis. Revenue recognized on federal grants for which payments have not been received is reflected as grants receivable in the accompanying consolidated statements of financial position.

USCRI recognizes 25% of International Organization for Migration (IOM) loan fees for administration of this program when loans are made to immigrants.

### *Federal Grants Subject to Audit*

USCRI receives funds from federal sources that are subject to audit by the various awarding agencies. USCRI has not been informed of any intent to conduct an audit. In the event of such an audit, management does not believe that any material adjustments will be necessary.

### *Functional Allocation of Expenses*

USCRI charges salaries to various programs and supporting services based upon the actual amount of time worked in each area. Fringe benefits are allocated to various programs and supporting services based on direct labor costs. Management and general expenses incurred are allocated to various programs and supporting services based upon total direct costs less agency payments.

### *Expenses*

Expenses are recognized by USCRI during the period in which they are incurred. Expenses paid in advance are deferred to the applicable period.

### *Use of Estimates*

The preparation of the consolidated financial statements in conformity U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### *Concentration of Risk*

Financial instruments which potentially subject USCRI to concentrations of credit risk consist principally of cash and cash equivalents and investments held at creditworthy financial institutions. At September 30, 2017 and 2016 substantially, all of USCRI's cash and cash equivalents and investments were held at three financial institutions, in accounts over FDIC limits. USCRI has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents and investments.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

Credit risk with respect to receivables is limited because USCRI deals with a large number of donors over a wide geographic area.

USCRI receives a substantial portion of its revenue from the federal government. If a significant reduction in this revenue should occur, it may have an effect on USCRI's programs. During the years ended September 30, 2017 and 2016, USCRI earned revenue from government grants and program service fees of \$73,176,796 and \$54,028,086 from the federal government, which is 93% and 91% of the total revenue and support earned in each of these years, respectively.

These amounts are reflected in government grants and program service fees in the accompanying consolidated statements of activities.

### *Recently Adopted Authoritative Guidance*

In August 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-15, *Presentation of Financial Statements - Going Concern Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern* (Subtopic 205-40). The update provides guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern. The update also provides related disclosures. The guidance is effective for USCRI's fiscal year 2017. The adoption of this update had no impact on USCRI's consolidated financial statements.

### *Recent Accounting Pronouncements Not Yet Adopted*

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update establishes a comprehensive revenue recognition standard for virtually all industries under U.S. GAAP including those that previously followed industry-specific guidance. The principle of the update is that an entity should recognize revenue to depict the transfer of promised goods and services to customers under a contract in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance is effective for USCRI's fiscal year 2020. Management continues to evaluate the potential impact of this update on USCRI's consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which is the leasing standard for both lessees and lessors. Under this update, a lessee will recognize lease assets and liabilities on the statement of financial position for all arrangements with terms longer than 12 months. Lessor accounting remains largely consistent with existing U.S. GAAP. The guidance is effective for USCRI's fiscal year 2021. Management is currently determining the impact that adoption of this guidance will have on USCRI's consolidated financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the



# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU is effective for USCRI's consolidated financial statements for USCRI's fiscal year 2019. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on their consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows*. The update standardizes how certain transactions should be classified in the statement of cash flows. The guidance is effective for USCRI's fiscal year 2020. Presently, management does not anticipate that the adoption of this update will have a material impact on USCRI's consolidated financial statements.

### 2. ISC Acquisition

As discussed in Note 1, USCRI acquired the assets of ISC including a 100% interest in Discovering Homes, LLC. The purpose of the acquisition was to continue and expand the work done with refugees in the Cleveland, Ohio region. The effective date of the acquisition was August 30, 2016. Total assets acquired were \$304,900 which consisted primarily of buildings and land held by Discovery Homes, LLC. There were no liabilities assumed as part of the acquisition, however, USCRI assumed the remaining commitment on ISC's operating lease scheduled to expire on March 31, 2018. The net effect of the transaction was recorded in the statements of activities as a contribution received in the acquisition of ISC assets for \$304,900.

### 3. Investments

Investments, at fair value, consist of the following at:

<i>September 30,</i>	2017	2016
Fixed income	\$ 1,843,602	\$ 1,844,084
Equities	2,244,747	1,909,111
Mutual funds	320,545	310,872
Money market funds	306,275	186,822
<b>Total</b>	<b>\$ 4,715,169</b>	<b>\$ 4,250,889</b>

Investment and interest and dividend income consist of the following:

<i>Years Ended September 30,</i>	2017	2016
Interest and dividend income	\$ 96,003	\$ 111,529
Investment gain, net	405,128	205,997
<b>Total</b>	<b>\$ 501,131</b>	<b>\$ 317,526</b>

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

Investment expenses were \$35,817 and \$34,079 for the years ended September 30, 2017 and 2016, respectively, and are recorded in the consolidated statements of functional expenses as part of professional fees.

### 4. Fair Value Measurements

USCRI follows the provisions of FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, in accounting for fair value measurements. ASC 820 establishes a common definition for fair value to be applied under U.S. GAAP requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of USCRI. Unobservable inputs are inputs that reflect USCRI’s estimates about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include corporate and municipal bonds, equities and preferred stock, money market funds, certificates of deposit and U.S. government obligations that are actively traded on a major exchange or over-the-counter markets.
- Level 2 - Valuations based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and reflect management’s best estimate of what market participants would use as fair value.

Shares held in fixed income, equities, mutual funds and money market funds are actively traded and are valued at net asset value as of September 30, 2017 and 2016. There was no change in valuation methodologies for years ended September 30, 2017 and 2016.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

The following tables disclose the fair value hierarchy of USCRI's investment assets at fair value as of September 30, 2017 and 2016.

	As of September 30, 2017		
	Level 1	Level 2	Total
Fixed income:			
Corporate bonds	\$ 882,815	\$ -	\$ 882,815
U.S. government obligations	668,777	-	668,777
Municipal securities	292,010	-	292,010
Equities:			
Basic materials	136,197	-	136,197
Communications	65,319	-	65,319
Consumer staples	218,888	-	218,888
Consumer discretionary	261,971	-	261,971
Energy	125,079	-	125,079
Financials	411,371	-	411,371
Health care	236,261	-	236,261
Industrials	288,608	-	288,608
Technology	330,112	-	330,112
Real estate	93,114	-	93,114
Utilities	77,827	-	77,827
Mutual funds - non- traditional	270,622	-	270,622
Mutual funds - fixed income	49,823	-	49,823
Money market funds	306,275	-	306,275
<b>Total</b>	<b>\$ 4,715,169</b>	<b>\$ -</b>	<b>\$ 4,715,169</b>

	As of September 30, 2016		
	Level 1	Level 2	Total
Fixed income:			
Corporate bonds	\$ 895,165	\$ -	\$ 895,165
U.S. government obligations	649,428	-	649,428
Municipal securities	299,491	-	299,491
Equities:			
Basic materials	115,548	-	115,548
Communications	61,335	-	61,335
Consumer staples	203,198	-	203,198
Consumer discretionary	221,203	-	221,203
Energy	109,414	-	109,414
Financials	321,516	-	321,516
Health care	207,353	-	207,353
Industrials	228,523	-	228,523
Technology	283,725	-	283,725
Real estate	87,057	-	87,057
Utilities	70,239	-	70,239
Mutual funds - non- traditional	260,529	-	260,529
Mutual funds - fixed income	50,343	-	50,343
Money market funds	186,822	-	186,822
<b>Total</b>	<b>\$ 4,250,889</b>	<b>\$ -</b>	<b>\$ 4,250,889</b>

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

USCRI had no level 3 assets or liabilities for the years ended September 30, 2017 and 2016.

### 5. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following at:

<i>September 30,</i>		2017		2016
Democracy Fund	\$	82,153	\$	-
LDS Church		94,718		-
Nuevo Comienzo (New Beginning)		-		500,000
	\$	176,871	\$	500,000

### 6. Property and Equipment

USCRI held the following property and equipment at:

<i>September 30,</i>		2017		2016
Building and improvements	\$	974,512	\$	974,512
Furniture and equipment		495,517		464,537
Vehicles		119,428		119,428
Leasehold improvements		409,866		399,913
Land		109,850		109,850
Total property and equipment		2,109,173		2,068,240
Less: accumulated depreciation and amortization		(1,206,308)		(1,058,511)
Property and equipment, net	\$	902,865	\$	1,009,729

Depreciation and amortization expense for the years ended September 30, 2017 and 2016 was \$147,797 and \$141,794, respectively.

### 7. Commitments and Contingencies

#### *Lease commitments*

USCRI is committed under leases for office space that expire at various times through October 1, 2020.

The landlord for the headquarters location provided USCRI with an allowance for tenant improvements during the year ended September 30, 2016. The value of these improvements was \$266,630 and was included as an asset and a deferred rent liability in the consolidated statements of financial position. In addition, the lease has stated rent escalations and the effect of this has also been recorded as a deferred rent liability which is amortized over the lease term. As a security deposit, USCRI obtained a letter of credit for the benefit of the landlord amounting to \$223,964. No

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

amounts were drawn against the letter of credit during 2017 and 2016. Total rental expense was \$1,396,979 and \$1,156,201 for years ended September 30, 2017 and 2016, respectively.

USCRI also assumed an office lease as part of the ISC asset purchase agreement that will expire on March 31, 2018.

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

*Years ending September 30,*

---

2018	\$	1,290,346
2019		1,306,502
2020		1,312,062
2021		254,560
<hr/>		
Total	\$	4,163,470

---

### *Contingencies*

The Refugee and Placement (R&P) program is renewed annually and is based on the projected numbers of refugee arrivals as presented in the President's annual determination. During the last year of the Obama Administration (fiscal year 2017), the annual target for refugee arrivals was set at 110,000. This number was subsequently adjusted downward to 50,000 refugees and 10,000 Special Immigrant Visa (SIV) holders by the Trump Administration. The target for fiscal year 2018 is set at 45,000 refugees and 15,000 SIVs. Along with the decreased target, the Trump Administration has undertaken a series of R&P security process reviews across agencies, which have slowed down the number of actual arrivals. As of April 23, 2018, USCRI has resettled 2,653 refugee and SIV clients, representing 34 percent of its annual target of 7,919.

## 8. Grants Payable to Affiliated Agencies

USCRI distributes grants to affiliated agencies, who are working in partnership with USCRI to help refugees and other newcomers to become full contributing members of their new American communities. The balance payable to affiliated agencies as of September 30, 2017 and 2016 was \$4,871,067 and \$3,890,772, respectively, and is payable within one year.

## 9. Defined Contribution Pension Plan

USCRI sponsors a defined contribution retirement plan for all employees who have met certain age and length of service requirements. Annual contributions are made to the plan at a rate of 10% of each participant's annual compensation. Pension expense for the years ended September 30, 2017 and 2016 totals \$828,120 and \$637,115, respectively, and is included in fringe benefits in the accompanying consolidated statements of functional expenses.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Consolidated Financial Statements

---

### 10. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code (IRC), USCRI is exempt from the payment of taxes on income other than net unrelated business income. As of September 30, 2017 and 2016, no provision for income taxes has been made, as USCRI had no net unrelated business income.

Discovering Homes, LLC is a single-member limited liability company. For tax purposes, a single member limited liability company is disregarded as an entity separate from its owner, absent an election otherwise. Activities of a single-member limited liability company are therefore treated as a division of the sole member, USCRI. The activities of Discovering Homes, LLC are consistent with the mission of USCRI and its activities are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Under ASC 740-10, *Accounting for Uncertainty in Income Taxes*, USCRI must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely than not that the position will be sustained on examination. USCRI does not believe there are any unrecognized tax benefits that should be recorded. For the years ended September 30, 2017 and 2016, there were no interest or penalties recorded or included in the consolidated statements of activities. USCRI is still open to examination by taxing authorities from 2014 forward.

### 11. Subsequent Events

The Department of Health and Human Services Office of Refugee Resettlement awarded USCRI a cooperative agreement to act as the Replacement Designee for Refugee Health Services in the State of Missouri and Kansas. To implement and successfully manage the grant, USCRI opened Field Offices in Kansas City, Missouri and St. Louis, Missouri. USCRI hired additional staff in both locations in order to execute agreements with medical providers.

USCRI evaluated subsequent events through April 23, 2018, which is the date the consolidated financial statements were available to be issued. There were no events noted that required adjustment to or disclosure in these consolidated financial statements, except as noted above.

## Schedule of Expenditures of Federal Awards

---

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Schedule of Expenditures of Federal Awards

Year ended September 30, 2017

Federal Grantor/Pass-Through/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services, Administration for Children and Families				
<i>Office of Refugee Resettlement:</i>				
Matching Grant Program	93.567	N/A	\$ 7,024,000	\$ 10,157,556
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	N/A	938,840	2,043,228
Advancing System Improvements for Key Issues in Women's Health	93.088	N/A	112,458	350,591
Direct Representation Project and Child Advocate Service	93.676	N/A	2,968,157	4,977,593
Self-Sufficiency of Victims of Trafficking	93.598	N/A	4,444,712	5,032,410
Wilson Fish Program	93.583	N/A	-	477,043
<i>Subtotal: Office of Refugee Resettlement</i>			15,488,167	23,038,421
<i>Refugee and Entrant Assistance - Discretionary Grants:</i>				
Preferred Communities	93.576	N/A	953,008	1,919,601
Iranian Refugee Parolee	93.576	N/A	5,337	11,698
Refugee Microenterprise Development Program	93.576	N/A	-	90,434
<i>Pass-through from State of New York:</i>				
Disability Assistance New York State Office of Temporary and Disability Assistance	93.576	C021707	-	152,700
<i>Pass-through from State of Vermont:</i>				
Medical Case Management Services	93.576	90RX0220/01	-	61,693
<i>Pass-through from State of Iowa:</i>				
Employment Case Management for Refugees	93.576	REF-14-001	-	72,553
<i>Subtotal: Refugee and Entrant Assistance - Discretionary Grants</i>			958,345	2,308,679
<i>Pass-through from State of Vermont:</i>				
Vermont Agency of Human Services Refugee Social Service Program	93.566	03400-USCRI-EMPL2016-SS- FY15	-	102,721
Refugee English Language Training	93.566	03400-USCRI-ELT2016-SS- FY15	-	123,279
<i>Pass-through from State of North Carolina:</i>				
Resettlement Assistance Program	93.566	1501NCRSOC, 1601NCRSOC	-	179,997
Service Program for Refugee and Entrant	93.566	90RQ0040-03	-	51,807
<i>Office of Refugee Resettlement:</i>				
Refugee Cash and Medical Assistance Program- Texas	93.566	N/A	6,341,612	24,599,192
Refugee Cash and Medical Assistance Program- Maine	93.566	N/A	124,764	252,790
<i>Pass-through from State of New York:</i>				
New York State Office of Temporary and Disability Assistance	93.566	TDA01-C0023GC-341000	-	46,831
<i>Pass-through for State of Ohio:</i>				
Refugee Social Services Program	93.566	G-1617-17-0624	-	87,330
<i>Subtotal: CFDA 93.566</i>			6,466,376	25,443,947
TANF Cluster				
<i>Pass-through from State of Vermont:</i>				
Reach Up - TANF Cluster	93.558	03440-1010107-17	-	90,387
<i>Pass-through from State of Vermont:</i>				
3RS Rutland Refugee Resettlement Services	93.584	03400-USCRI-P2HE2016- TAGF-FY17	-	72,319
Citizenship Education and Training	93.584	2016-CS-010-000003	-	45,354



# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Schedule of Expenditures of Federal Awards

Year ended September 30, 2017

Federal Grantor/Pass-Through/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<i>Pass-through from Catholic Charities:</i>				
Refugee and Entrant Assistance - Targeted Grants	93.584	G-1617-17-0625	-	105,664
<i>Pass-through from State of New York:</i>				
New York State Office of Temporary and Disability Assistance	93.584	TDA01-C00196GG-3410000	-	92,824
<i>Pass-through from State of North Carolina:</i>				
North Carolina Division of Social Service Refugee and Entrant Assistance	93.584	90RTO181-02-00	-	53,717
<i>Subtotal: CFDA 93.584</i>			-	369,878
Total U.S. Department of Health and Human Services, Administration for Children and Families			22,912,888	51,251,312
U.S. Department of State, Bureau of Population, Refugees and Migration				
Reception and Placement Program	19.510	N/A	13,744,800	21,281,532*
Total Expenditures of Federal Awards			\$ 36,657,688	\$ 72,532,844

See notes to the schedule of expenditures of federal awards.

\*This grant is paid to USCRI on a per capita basis. Therefore, the amount reflected represents actual federal funds received.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Schedule of Expenditures of Federal Awards

---

### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of USCRI under programs of the federal government for the year ended September 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of USCRI, it is not intended to and does not present the financial position, changes in net assets or cash flows of USCRI.

The reimbursement of indirect costs reflected in the accompanying consolidated financial statements as federal grants revenue is subject to final approval by federal grantors and could be adjusted upon the results of these reviews. Management believes that the results of any such adjustment will not be material to USCRI's consolidated financial position or change in net assets.

### 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. USCRI has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

### 3. Reconciliation of Schedule of Expenditures of Federal Awards to Consolidated Financial Statements

Expenditures per Schedule of Expenditures of Federal Awards	\$ 72,532,844
Reconciling item:	
Other state awards	643,952
<hr/>	
Expenditures per the consolidated financial statements	\$ 73,176,796

Independent Auditor's  
Reports Required by *Government Auditing  
Standards* and the Uniform Guidance

---



Tel: 703-893-0600  
Fax: 703-893-2766  
www.bdo.com

8401 Greensboro Drive  
Suite 800  
McLean, VA 22102

## Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of U.S. Committee for Refugees and Immigrants, Inc. and Related Entity (USCRI), which comprise the consolidated statement of financial position as of September 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 23, 2018.

### Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered USCRI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of USCRI's internal control. Accordingly, we do not express an opinion on the effectiveness of USCRI's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether USCRI's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.



which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering USCRI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

April 23, 2018



Tel: 703-893-0600  
Fax: 703-893-2766  
www.bdo.com

8401 Greensboro Drive  
Suite 800  
McLean, VA 22102

## Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

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

### Report on Compliance for the Major Federal Program

We have audited U.S. Committee for Refugees and Immigrants, Inc. and Related Entity's (USCRI) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of USCRI's major federal programs for the year ended September 30, 2017. USCRI's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for USCRI's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about USCRI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of USCRI's compliance.



### *Opinion on the Major Federal Program*

In our opinion, USCRI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2017.

### **Report on Internal Control Over Compliance**

Management of USCRI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered USCRI's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of USCRI's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

April 23, 2018

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Schedule of Findings and Questioned Costs Year Ended September 30, 2017

---

### Section I - SUMMARY OF AUDITOR'S RESULTS

#### *Financial Statements*

Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

#### *Federal Awards*

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for the major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ yes      X   no

Identification of major federal program:

CFDA Number/Grant / Contract Number

93.566

Name of Federal Program or Cluster

Refugee Cash and Medical Assistance Program and Refugee Social Services Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 2,175,985

Auditee qualified as low-risk auditee?

  X   yes    \_\_\_\_\_ no



# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Schedule of Findings and Questioned Costs Year Ended September 30, 2017

---

### Section II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the consolidated financial statements which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

### Section III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs for Federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance that were required to be reported.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Schedule of Fringe Benefit and Salary Expenditures

*Year ended September 30, 2017*

### *Type of Fringe Benefit*

Health insurance	\$ 1,317,750
Life insurance	56,880
Payroll taxes	972,346
Pension	828,120

---

<b>Total Type of Fringe Benefit Expenditures</b>	<b>\$ 3,175,096</b>
--	---------------------

---

### *Fringe Benefits*

Program services	\$ 2,446,069
Management and general	680,539
Fundraising	48,488

---

<b>Total Fringe Benefit Expenditures</b>	<b>\$ 3,175,096</b>
--	---------------------

---

### *Salaries*

Program services	\$ 8,778,657
Management and general	2,621,109
Fundraising	182,188

---

<b>Total Salary Expenditures</b>	<b>\$ 11,581,954</b>
----------------------------------	----------------------

---

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Schedule of Overhead and General and Administrative Expenses

*Year ended September 30, 2017*

Direct refugee assistance	\$	55,055
Salaries		2,621,109
Fringe benefits		680,539
Occupancy		228,579
Training and staff development		4,766
Professional fees		357,594
Advertising		18,215
Printing and reproduction		132,299
Equipment rental and repair		42,485
Telephone and communications		44,526
Postage and shipping		11,253
Insurance		25,676
Travel		97,684
Conferences and meetings		75,020
Bank and finance charges		59,315
Provision for bad debt		246,753
Outside services and consulting		138,664
Miscellaneous expenses		(25,323)
Subscriptions and references		126,241
Depreciation and amortization		139,028
<hr/>		
Total		5,079,478
Less: Fringe benefits		(680,539)
<hr/>		
Total overhead and administrative costs	\$	4,398,939

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Schedule of Determination of Indirect Cost Rates

*Year ended September 30, 2017*

### Fringe Benefits Rate Calculation

#### Numerator

Total fringe benefits per audited financial statements	\$	3,175,096
--	----	-----------

#### Denominator

Total salaries per audited financial statements	\$	11,581,954
---	----	------------

Fringe benefits rate	27.41%
----------------------	--------

### Overhead and General and Administrative Rate Calculation

#### Numerator

Indirect costs per audited financial statements	\$	1,053,349
Plus: Indirect costs recovery charged to programs and fundraising		4,026,129
Less: Fringe benefits charged as overhead		(680,539)

Subtotal	4,398,939
----------	-----------

Plus: Fringe benefits applied at 27.41% of \$2,621,109 in management and general salaries	718,446
---	---------

Total indirect costs	\$	5,117,385
----------------------	----	-----------

#### Denominator

Program services expense per audited financial statements	76,542,236
Fundraising expense per audited financial statements	329,149

Subtotal	76,871,385
----------	------------

Plus: Fringe benefits applied at 27.41% of \$8,960,845 in program and fundraising salaries	2,456,168
Less: Subrecipient grants (agency payments)	(52,302,062)
Indirect costs recovery charged to programs and fundraising	(4,026,129)
Fringe benefits charged to programs and fundraising	(2,494,557)
Direct refugee assistance	(4,576,124)

Total	\$	15,928,681
-------	----	------------

Overhead and general and administrative rate	32.13%
--	--------

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Schedule of Determination of Indirect Cost Rates

---

### 1. Summary of Cost Structure

The U.S. Committee for Refugees and Immigrants, Inc. and related entity (USCRI) uses the total direct cost allocation method for the allocation of indirect costs as permitted under the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. USCRI treats all costs as direct costs except management and general expenses. Management and general expenses included in the indirect cost pool include only those costs incurred at USCRI's headquarters. Management and general expenses are considered to be overhead and general and administrative expenses for purposes of calculating an overhead and general and administrative (indirect cost) rate. USCRI separates its costs into three basic categories: program services, management and general, and fundraising. A brief description of expenses charged to those categories is as follows:

#### Program Services

Program service expenses reflect direct costs and some allocated costs incurred in performing activities and projects under federal awards and other foundation or private sector grants. Such direct costs are identified specifically with a particular award, project, service, or other direct activity of USCRI.

#### Management and General

Management and general expenses are associated with the operation of USCRI's headquarters and are related to the essential activities associated with the administration of the organization. They are identified by the nature of the expense, and include certain salaries and related expenses, occupancy costs, postage and shipping, telephone and communications, general use of supplies and equipment, professional services, printing, depreciation and amortization, and other general administrative expenses.

#### Fundraising

Fundraising expenses are associated with activities that relate to the solicitation of financial support, including financial campaigns, federal funding, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or to obtain contributions. Fundraising services and materials are also included.

### 2. Allocation Method

USCRI uses a tiered method of allocating costs for supplies, insurance, occupancy, equipment, depreciation and amortization, and telephone. The first tier consists of those general costs which are accumulated in an indirect cost pool and directly allocated to program services using square footage as a base. These directly allocated costs are further allocated to specific activities within program service functions using direct labor as the sub allocation base.

The second tier consists of the remaining indirect costs which are then charged to programs and projects based on the ratio of these indirect costs to total direct costs.

# U.S. Committee for Refugees and Immigrants, Inc. and Related Entity

## Notes to Schedule of Determination of Indirect Cost Rates

---

### 3. Fringe Benefits

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