

**CONSOLIDATED FINANCIAL STATEMENTS**



**AMERICAN REFUGEE COMMITTEE AND  
SUBSIDIARIES**

**FOR THE YEARS ENDED  
MARCH 31, 2018 AND 2017**

# AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Refugee Committee and Subsidiaries  
Minneapolis, Minnesota

We have audited the accompanying consolidated financial statements of the American Refugee Committee and Subsidiaries (ARC), which comprise the consolidated statements of financial position as of March 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the 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 audits 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.

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## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ARC as of March 31, 2018 and 2017, and the consolidated changes in its net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedules of Financial Position, Consolidating Schedule of Activities and Consolidating Schedule of Change in Net Assets on pages 22 - 24 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the 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 consolidated financial statements or to the 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 August 28, 2018 on our consideration of ARC'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 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 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 ARC's internal control over financial reporting and compliance.



August 28, 2018

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2018 AND 2017**

**ASSETS**

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 12,926,112	\$ 8,204,280
Investments (Notes 2 and 13)	658,108	625,832
Grants receivable	26,824,489	28,423,907
Pledges receivable	380,250	127,080
Other receivables	289,906	339,935
Inventory	11,014	16,111
Prepaid expenses	802,235	718,221
Property, furniture, equipment and software, net of accumulated depreciation and amortization of \$672,219 and \$541,364 at March 31, 2018 and 2017, respectively (Note 3)	2,478,140	1,141,688
Deposits	<u>102,541</u>	<u>95,912</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 44,472,795</u></b>	<b><u>\$ 39,692,966</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued expenses	\$ 910,887	\$ 323,550
Grants payable	177,019	878,718
Accrued salaries and benefits	<u>4,141,426</u>	<u>2,984,342</u>
Total liabilities	<u>5,229,332</u>	<u>4,186,610</u>

**NET ASSETS**

Unrestricted	7,377,417	6,271,172
Temporarily restricted (Note 6)	31,017,791	28,386,929
Permanently restricted (Notes 8 and 12)	<u>848,255</u>	<u>848,255</u>
Total net assets	<u>39,243,463</u>	<u>35,506,356</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 44,472,795</u></b>	<b><u>\$ 39,692,966</u></b>

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017**

	<b>2018</b>			<b>Total</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	
<b>REVENUE AND SUPPORT</b>				
Contributions and grants:				
Contributions	\$ 7,190,658	\$ 9,810,274	\$ -	\$ 17,000,932
U.S. Government grants (Note 10)	-	19,568,033	-	19,568,033
United Nations grants	-	17,432,828	-	17,432,828
Private and other support	-	11,312,069	-	11,312,069
In-kind goods and services	-	9,240	-	9,240
Interest and investment income (Notes 2 and 12)	6,733	37,119	-	43,852
Other income	1,222,941	-	-	1,222,941
Net assets released from donor restrictions (Note 7)	<u>55,538,701</u>	<u>(55,538,701)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>63,959,033</u>	<u>2,630,862</u>	<u>-</u>	<u>66,589,895</u>
<b>EXPENSES</b>				
Program Services:				
International Programs	<u>55,702,625</u>	<u>-</u>	<u>-</u>	<u>55,702,625</u>
Supporting Services:				
General and Administrative	5,483,973	-	-	5,483,973
Fundraising	<u>1,671,174</u>	<u>-</u>	<u>-</u>	<u>1,671,174</u>
Total supporting services	<u>7,155,147</u>	<u>-</u>	<u>-</u>	<u>7,155,147</u>
Total expenses	<u>62,857,772</u>	<u>-</u>	<u>-</u>	<u>62,857,772</u>
Changes in net assets	1,101,261	2,630,862	-	3,732,123
Net assets at beginning of year	6,271,172	28,386,929	848,255	35,506,356
Transfer of net assets (Note 11)	<u>4,984</u>	<u>-</u>	<u>-</u>	<u>4,984</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 7,377,417</u></b>	<b><u>\$ 31,017,791</u></b>	<b><u>\$ 848,255</u></b>	<b><u>\$ 39,243,463</u></b>

<b>2017</b>			
<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
\$ 7,578,278	\$ 2,423,247	\$ -	\$ 10,001,525
-	25,925,513	-	25,925,513
-	17,280,182	-	17,280,182
-	10,994,138	-	10,994,138
4,000	-	-	4,000
(5,342)	48,625	-	43,283
621,673	-	-	621,673
<u>46,018,796</u>	<u>(46,018,796)</u>	<u>-</u>	<u>-</u>
<u>54,217,405</u>	<u>10,652,909</u>	<u>-</u>	<u>64,870,314</u>
<u>44,796,196</u>	<u>-</u>	<u>-</u>	<u>44,796,196</u>
4,416,000	-	-	4,416,000
<u>1,327,092</u>	<u>-</u>	<u>-</u>	<u>1,327,092</u>
<u>5,743,092</u>	<u>-</u>	<u>-</u>	<u>5,743,092</u>
<u>50,539,288</u>	<u>-</u>	<u>-</u>	<u>50,539,288</u>
3,678,117	10,652,909	-	14,331,026
2,593,055	17,734,020	848,255	21,175,330
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 6,271,172</u>	<u>\$ 28,386,929</u>	<u>\$ 848,255</u>	<u>\$ 35,506,356</u>

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED MARCH 31, 2018 AND 2017**

	2018				
	Supporting Services				Total Expenses
	International Programs	General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 20,291,484	\$ 2,475,324	\$ 683,708	\$ 3,159,032	\$ 23,450,516
Employee benefits (Note 9)	3,313,218	563,515	134,096	697,611	4,010,829
Payroll taxes	918,707	163,334	53,689	217,023	1,135,730
Printing and publishing	56,544	30,488	14,242	44,730	101,274
Education and training	3,263,888	5,068	-	5,068	3,268,956
Legal	93,423	37,334	36,145	73,479	166,902
Occupancy (Note 4)	2,161,808	181,229	56,080	237,309	2,399,117
Accounting	160,080	126,145	-	126,145	286,225
Insurance	249,028	8,930	6,761	15,691	264,719
Depreciation and amortization	112,770	15,986	4,908	20,894	133,664
Telephone	551,618	24,596	3,319	27,915	579,533
Travel and transportation	4,509,142	366,453	238,854	605,307	5,114,449
Postage and delivery	229,488	6,370	49,626	55,996	285,484
Office supplies	421,270	43,571	67,988	111,559	532,829
Membership and dues	44,484	61,515	1,003	62,518	107,002
Meetings and conferences	122,871	72,345	14,501	86,846	209,717
Advertising and recruiting	62,895	71,427	945	72,372	135,267
Currency loss (gain)	(522,655)	90	332	422	(522,233)
Bank charges	364,356	23,850	93,565	117,415	481,771
Equipment maintenance	810,326	2,994	3,758	6,752	817,078
Purchased services	1,478,107	992,508	195,772	1,188,280	2,666,387
Equipment purchase	1,139,491	72,071	9,155	81,226	1,220,717
Interest	-	463	30	493	493
Grants	3,194,445	-	-	-	3,194,445
Construction	2,522,769	-	-	-	2,522,769
Program supplies	10,152,029	133,252	2,697	135,949	10,287,978
Other	1,039	5,115	-	5,115	6,154
<b>TOTAL</b>	<b>\$ 55,702,625</b>	<b>\$ 5,483,973</b>	<b>\$ 1,671,174</b>	<b>\$ 7,155,147</b>	<b>\$ 62,857,772</b>



2017					
Supporting Services					
International Programs	General and Administrative	Fundraising	Total Supporting Services	Total Expenses	
\$ 17,446,115	\$ 2,268,593	\$ 587,710	\$ 2,856,303	\$ 20,302,418	
3,077,269	467,178	121,109	588,287	3,665,556	
653,273	136,259	48,805	185,064	838,337	
50,560	33,153	17,361	50,514	101,074	
2,820,684	10,170	-	10,170	2,830,854	
65,925	32,857	23,102	55,959	121,884	
1,839,512	153,474	53,122	206,596	2,046,108	
158,983	69,522	-	69,522	228,505	
211,786	15,449	2,974	18,423	230,209	
129,853	14,777	8,528	23,305	153,158	
535,652	18,872	2,821	21,693	557,345	
2,997,173	273,473	92,943	366,416	3,363,589	
108,785	8,637	32,089	40,726	149,511	
406,472	25,622	23,435	49,057	455,529	
38,582	55,992	1,402	57,394	95,976	
151,907	67,335	47,432	114,767	266,674	
76,928	47,987	879	48,866	125,794	
(38,343)	1,805	-	1,805	(36,538)	
219,708	24,641	99,386	124,027	343,735	
652,937	14,388	238	14,626	667,563	
1,525,734	547,020	159,044	706,064	2,231,798	
1,328,123	80,745	4,712	85,457	1,413,580	
-	10,353	-	10,353	10,353	
1,011,618	-	-	-	1,011,618	
1,116,512	-	-	-	1,116,512	
8,197,826	4,260	-	4,260	8,202,086	
12,622	33,438	-	33,438	46,060	
<b>\$ 44,796,196</b>	<b>\$ 4,416,000</b>	<b>\$ 1,327,092</b>	<b>\$ 5,743,092</b>	<b>\$ 50,539,288</b>	

## AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 3,732,123	\$ 14,331,026
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	133,664	153,158
Net realized and unrealized gain on investments	(26,304)	(40,121)
Net asset transfer from ORAM	4,984	-
Decrease (increase) in:		
Grants receivable	1,599,418	(11,675,797)
Pledges receivable	(253,170)	256,921
Other receivables	50,029	(86,264)
Inventory	5,097	190
Prepaid expenses	(84,014)	76,157
Deposits	(6,629)	25,843
Increase (decrease) in:		
Accounts payable and accrued expenses	587,337	(104,101)
Grants payable	(701,699)	69,259
Accrued salaries and benefits	<u>1,157,084</u>	<u>646,035</u>
Net cash provided by operating activities	<u>6,197,920</u>	<u>3,652,306</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, furniture, equipment and software	(1,470,116)	(653,288)
Net purchase of investments	<u>(5,972)</u>	<u>(14,314)</u>
Net cash used by investing activities	<u>(1,476,088)</u>	<u>(667,602)</u>
Net increase in cash and cash equivalents	4,721,832	2,984,704
Cash and cash equivalents at beginning of year	<u>8,204,280</u>	<u>5,219,576</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 12,926,112</u></b>	<b><u>\$ 8,204,280</u></b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	<u>\$ 493</u>	<u>\$ 10,353</u>

## AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2018 AND 2017

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

The American Refugee Committee (ARC) is a non-profit organization, incorporated in 1978 working with its partners and constituencies to provide opportunities and expertise to refugees, displaced people and host communities. We help people survive conflict and crisis and rebuild lives of dignity, health, security and self-sufficiency. The international headquarters, based in Minneapolis, Minnesota, supports medical relief and settlement programs which, during the two years ending March 31, 2018 and 2017 operated in Rwanda, Somalia, Uganda, Sudan, South Sudan, Pakistan, Thailand, Democratic Republic of Congo, Syria, Jordan, Myanmar and Bangladesh.

ARC became the sole member of Questscope, LTD. and Questscope (a UK Charity) and entered into a parent/subsidiary relationship effective April 1, 2015 that allows both organizations to retain their unique identities, values and leadership while leveraging strengths and unique qualities. Questscope, LTD. is a nonprofit organization with registration in the United States. Questscope is a UK registered charity under the United Kingdom Articles of Charitable Companies. Questscope is also legally registered to conduct business in the Hashemite Kingdom of Jordan (Jordan). Both Questscope, LTD. and Questscope receive grants and contributions to manage educational and refugee programs in Jordan and Syria.

Based upon the fact that ARC, as the sole member, has controlling interest of the boards of Questscope, LTD. and Questscope, the financial results for Questscope, LTD. and Questscope as of and for the years ending March 31, 2018 and 2017, are included in the accompanying consolidated financial statements (Note 11).

WikiRelief, LLC was established in April 2013 as a wholly owned subsidiary of ARC. The organization is developing a web-based emergency relief tool to enable coordination by worldwide relief organizations.

During the 2018 fiscal year, the Board of Directors of ORAM – Organization for Refuge, Asylum and Migration (ORAM) voted to recognize ARC as their sole member and entered into a parent/subsidiary relationship effective September 1, 2017 that allows both organizations to retain their unique identities, values, and leadership while leveraging strengths and unique qualities. ORAM is registered in the state of California. Based on the fact that ARC, as the sole member, has controlling interest in ORAM, the financial results beginning September 1, 2017 are included in the accompanying consolidated financial statements (Note 11). Activities prior to that date are not a part of ARC's consolidated financial statements.

##### Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) ASC 958-810, *Not-for-Profit Entities, Consolidation*.

##### Principles of consolidation -

The consolidated financial statements include the assets, liabilities and activities and change in net assets of ARC and its subsidiaries, WikiRelief, Questscope, LTD., Questscope and ORAM. All material intercompany accounts and transactions have been eliminated in consolidation.

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

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

Cash and cash equivalents -

ARC and subsidiaries consider all cash and other highly liquid investments with initial maturities of three months or less, and funds invested with local banks in foreign countries, 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, ARC and subsidiaries maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

ARC and subsidiaries had \$5,669,047 and \$4,231,945 of cash on hand and cash at financial institutions in foreign countries at March 31, 2018 and 2017, respectively. The majority of such funds are not insured.

Foreign currency translation -

The U.S. Dollar (Dollars) is the functional currency of ARC and subsidiaries' worldwide operations. Transactions in currencies other than dollars are re-measured into dollars at the rate of exchange in effect at the time of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into dollars at the exchange rate in effect at the date of the Consolidated Statements of Financial Position. The effect of these conversions are recorded in the Consolidated Statements of Activities and Changes in Net Assets.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in interest and investment income in the Consolidated Statements of Activities and Changes in Net Assets.

Grants, pledges and other receivables -

Grants, pledges and other receivables are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Property, furniture, equipment and software -

Property, furniture, equipment and software, which cost in excess of \$5,000, are capitalized and stated at cost. Depreciation of furniture and equipment is depreciated over useful lives ranging from three to five years.

Buildings, all of which are located in the Democratic Republic of Congo (DRC), are being depreciated over 10 years.

Computer software, with the exception of the "Kuja Kuja" internally developed software which has not been placed in service (currently valued at \$682,373), is being amortized over five years. The Kuja Kuja software will be amortized over five years once placed in service.

## AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2018 AND 2017

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

##### Income taxes -

ARC is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. ARC is not a private foundation.

For the purpose of corporate tax reporting, WikiRelief, LLC is considered a disregarded entity and all financial transactions are reported with ARC.

Questscope, LTD. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. Questscope, LTD. is not a private foundation.

Questscope is registered under the United Kingdom Articles of Charitable Companies, as a charity within the definition of Section 506(1) Income and Corporation Tax Act 1988, and is therefore able to take advantage of the reliefs given by Section 505 of that act. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements.

ORAM is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. ORAM is not a private foundation.

##### Uncertain tax positions -

For the years ended March 31, 2018 and 2017, ARC and subsidiaries have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and have determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

##### Net asset classification -

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

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

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

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

Contributions and grants -

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

Temporarily restricted contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying consolidated financial statements.

Use of estimates -

The preparation of the consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Risks and uncertainties -

ARC and subsidiaries invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

Fair value measurement -

ARC and subsidiaries 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. ARC and subsidiaries account for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

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

## AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2018 AND 2017

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

New accounting pronouncements (not yet adopted) -

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Consolidated Statements of Activities and Changes in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of ARC and subsidiaries' consolidated financial statements, it is not expected to alter ARC and subsidiaries' reported consolidated financial position.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. ARC and subsidiaries have not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its consolidated financial statements.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Consolidated Statements of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

ARC and subsidiaries plan to adopt the new ASUs at the respective required implementation dates.

#### 2. INVESTMENTS

Investments consisted of the following at March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
	<u>Fair Value</u>	<u>Fair Value</u>
U.S. Treasury Notes	\$ 157,864	\$ 210,430
S&P 500 Index Mutual Fund	325,622	285,752
Certificates of Deposit	<u>174,622</u>	<u>129,650</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 658,108</u></b>	<b><u>\$ 625,832</u></b>

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

**2. INVESTMENTS (Continued)**

Included in interest and investment income are the following at March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 17,548	\$ 3,162
Net realized and unrealized gain on investments	<u>26,304</u>	<u>40,121</u>
<b>TOTAL INTEREST AND INVESTMENT INCOME</b>	<b><u>\$ 43,852</u></b>	<b><u>\$ 43,283</u></b>

**3. PROPERTY, FURNITURE, EQUIPMENT AND SOFTWARE**

The cost and accumulated depreciation and amortization of property, furniture, equipment and software at March 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 153,303	\$ 153,303
Buildings	606,274	410,588
Furniture	167,291	175,593
Equipment	893,175	822,334
Software	803,607	121,234
Water system	<u>526,709</u>	<u>-</u>
	3,150,359	1,683,052
Less: Accumulated depreciation and amortization	<u>(672,219)</u>	<u>(541,364)</u>
<b>PROPERTY, FURNITURE, EQUIPMENT AND SOFTWARE, NET</b>	<b><u>\$ 2,478,140</u></b>	<b><u>\$ 1,141,688</u></b>

**4. LEASE COMMITMENT**

Operating lease -

ARC and subsidiaries have operating lease agreements relating to the headquarters' office space and an office in Washington, D.C. Rent expense under these operating leases totaled \$319,467 and \$286,673 for the years ended March 31, 2018 and 2017, respectively.

Each of these leases has termination clauses that allow termination under certain conditions and with payment of unamortized improvement costs.

The following is a schedule of future minimum rental payments required under these leases:

**Year Ending March 31,**

2019	\$ 287,041
2020	255,436
2021	259,532
2022	<u>174,933</u>
	<b><u>\$ 976,942</u></b>



**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

**4. LEASE COMMITMENT (Continued)**

Operating lease (continued) -

Foreign field locations have various short-term leases for operating space that individually have terms of less than one year. During the years ended March 31, 2018 and 2017, ARC and subsidiaries incurred \$1,403,721 and \$1,168,802, respectively, in rental expense related to these leases.

**5. LINE OF CREDIT**

ARC and subsidiaries have a line of credit with a local financial institution. Borrowers on the line of credit bear interest at LIBOR plus 2.5% (4.1862% at March 31, 2018). There were no outstanding borrowings on the line of credit at March 31, 2018 or 2017. The line of credit is secured by the general assets of ARC and subsidiaries.

**6. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following at March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
ARC Programs	\$ 28,078,476	\$ 23,923,921
ARC Ball Fund	9,217	32,098
Questscope, LTD. Programs	189,991	188,162
Questscope Programs	2,680,434	4,242,748
ORAM	<u>59,673</u>	<u>-</u>
	<b><u>\$ 31,017,791</u></b>	<b><u>\$ 28,386,929</u></b>

**7. NET ASSETS RELEASED FROM RESTRICTIONS**

The following temporarily restricted net assets were released from donor restrictions at March 31, 2018 and 2017, by incurring expenses, which satisfied the restricted purposes specified by the donors:

	<u>2018</u>	<u>2017</u>
ARC Programs	\$ 49,263,058	\$ 41,331,907
Questscope, LTD. Programs	473,009	194,411
Questscope Programs	5,762,307	4,492,478
ORAM	<u>40,327</u>	<u>-</u>
	<b><u>\$ 55,538,701</u></b>	<b><u>\$ 46,018,796</u></b>

**8. PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets are restricted in-perpetuity, and the income from them is expendable to fund emergency situations overseas.

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

**8. PERMANENTLY RESTRICTED NET ASSETS (Continued)**

The assets are held in the following funds as of March 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Ball Fund	\$ 537,500	\$ 537,500
Bridge Fund	124,326	124,326
Mellon Fund	<u>186,429</u>	<u>186,429</u>
<b>TOTAL PERMANENTLY RESTRICTED NET ASSETS</b>	<b><u>\$ 848,255</u></b>	<b><u>\$ 848,255</u></b>

Investment income generated from the permanently restricted net assets of the Ball Fund is considered temporarily restricted until authorized to be expended on emergency programs (Note 12).

**9. EMPLOYEE BENEFIT PLAN**

ARC and subsidiaries have a tax-deferred annuity plan for substantially all long-term U.S.-based employees and U.S. expatriate employees. ARC contributed an amount equal to six percent of the employees' salaries to the plan in 2018 and 2017.

Employees have the option to contribute up to \$18,500 and \$18,000 of their salaries annually in 2018 and 2017 calendar years. Contributions by ARC and subsidiaries for the years ended March 31, 2018 and 2017 totaled \$229,483 and \$206,945, respectively.

**10. CONTINGENCIES**

U.S. Government awards -

ARC and subsidiaries receive grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2018. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

Foreign operations -

ARC and subsidiaries provide capital assistance, technical assistance and training in numerous developing countries through its field offices in each of those countries. The future results of those programs could be adversely affected by a number of potential factors, such as currency devaluations or changes in the political climate. As of March 31, 2018 and 2017, ARC and subsidiaries had cash, property, furniture, equipment and software and prepaid expenses in various countries in Africa, Middle East and Asia, totaling approximately \$8,000,000 and \$5,800,000 in each year, which represented approximately 18% and 15%, respectively, of ARC and subsidiaries' total assets.

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

**11. TRANSFER OF NET ASSETS - ORAM**

As more fully discussed in Note 1, ARC and subsidiaries entered into a parent/subsidiary relationship with ORAM – Organization for Refuge, Asylum and Migration (ORAM), effective September 1, 2017. As a result of the relationship, the accompanying consolidated financial statements include the financial activity of ORAM for the period September 1, 2017 to March 31, 2018. Accordingly, the net assets of ORAM as of August 31, 2017, is reported as a transfer of unrestricted net assets in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Following is a summary of the transferred net assets prior to, and after, consolidation:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Prior to Consolidation	\$ 101,817	\$ 53,167	\$ 154,984
Eliminating Entry	<u>(96,833)</u>	<u>(53,167)</u>	<u>(150,000)</u>
	<u><b>\$ 4,984</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 4,984</b></u>

**12. ENDOWMENT**

ARC and subsidiaries' endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, ARC and subsidiaries classify as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by ARC and subsidiaries in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, ARC and subsidiaries considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of ARC and subsidiaries and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of ARC and subsidiaries.

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

**12. ENDOWMENT (Continued)**

Endowment net asset composition by type of fund as of March 31, 2018:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Ball Fund	\$ 9,217	\$ 537,500
Bridge Fund	-	124,326
Mellon Fund	-	186,429
	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<b><u>\$ 9,217</u></b>	<b><u>\$ 848,255</u></b>

Changes in endowment net assets for the year ended March 31, 2018 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net asset, beginning of year	\$ 32,098	\$ 848,255
Net investment income	-	37,119
Transfer of net investment income (loss) from permanently restricted	37,119	(37,119)
Transfer to unrestricted	<u>(60,000)</u>	<u>          </u>
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<b><u>\$ 9,217</u></b>	<b><u>\$ 848,255</u></b>

Endowment net asset composition by type of fund as of March 31, 2017:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Ball Fund	\$ 32,098	\$ 537,500
Bridge Fund	-	124,326
Mellon Fund	-	186,429
	<u>          </u>	<u>          </u>
<b>TOTAL FUNDS</b>	<b><u>\$ 32,098</u></b>	<b><u>\$ 848,255</u></b>

Changes in endowment net assets for the year ended March 31, 2017 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ 43,473	\$ 848,255
Net investment income	-	48,625
Transfer of net investment income (loss) from permanently restricted	48,625	(48,625)
Transfer to unrestricted	<u>(60,000)</u>	<u>          </u>
<b>ENDOWMENT NET ASSETS, END OF YEAR</b>	<b><u>\$ 32,098</u></b>	<b><u>\$ 848,255</u></b>

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

**13. FAIR VALUE MEASUREMENT**

In accordance with FASB ASC 820, *Fair Value Measurement*, ARC and subsidiaries have categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

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

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market ARC and subsidiaries have the ability to access.

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

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

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used at March 31, 2018 and 2017.

- *U.S. Treasury Notes* - Valued at the closing price reported on the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by ARC and subsidiaries are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. Mutual funds held by ARC and subsidiaries are deemed to be actively traded.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, by level within the fair value hierarchy, ARC and subsidiaries' investments as of March 31, 2018:

<b>Asset Class:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Treasury Notes	\$ 157,864	\$ -	\$ -	\$ 157,864
S&P 500 Index Mutual Fund	325,622	-	-	325,622
Certificates of Deposit	-	174,622	-	174,622
<b>TOTAL</b>	<b>\$ 483,486</b>	<b>\$ 174,622</b>	<b>\$ -</b>	<b>\$ 658,108</b>

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2018 AND 2017**

**13. FAIR VALUE MEASUREMENT (Continued)**

The table below summarizes, by level within the fair value hierarchy, ARC and subsidiaries' investments as of March 31, 2017:

<b>Asset Class:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
U.S. Treasury Notes	\$ 210,430	\$ -	\$ -	\$ 210,430
S&P 500 Index Mutual Fund	285,752	-	-	285,752
Certificates of Deposit	-	129,650	-	129,650
<b>TOTAL</b>	<b>\$ 496,182</b>	<b>\$ 129,650</b>	<b>\$ -</b>	<b>\$ 625,832</b>

**14. SUBSEQUENT EVENTS**

In July 2018, ARC and Upwardly Global entered into a parent/subsidiary relationship that allows both organizations to retain their unique identities, values and leadership while leveraging our strengths and unique qualities. Upwardly Global is a nonprofit organization with registration in the US. Upwardly Global provides immigrants, refugees and political asylees the tools and training they need to rebuild their professional careers in the USA. At the same time, Upwardly Global promotes immigrant inclusion in the workplace by providing education, employee engagement and placement to employers. Upwardly Global is not included in these consolidated financial statements.

In preparing these consolidated financial statements, ARC and subsidiaries have evaluated events and transactions for potential recognition or disclosure through August 28, 2018, the date the consolidated financial statements were issued.

**SUPPLEMENTAL INFORMATION**

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2018**

	American Refugee Committee	Questscope	Questscope LTD.	ORAM	Eliminations	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 11,924,347	\$ 689,539	\$ 108,668	\$ 203,558	\$ -	\$ 12,926,112
Investments	658,108	-	-	-	-	658,108
Grants receivable	23,822,314	3,002,175	-	-	-	26,824,489
Pledges receivable	380,250	-	-	-	-	380,250
Other receivables	574,552	14,267	278,764	50	(577,727)	289,906
Intercompany	-	(230,795)	230,795	-	-	-
Inventory	11,014	-	-	-	-	11,014
Prepaid expenses	770,884	10,304	19,721	1,326	-	802,235
Property, furniture and equipment, net of accumulated depreciation and amortization	2,478,099	-	-	41	-	2,478,140
Deposits	94,302	8,239	-	-	-	102,541
<b>TOTAL ASSETS</b>	<b>\$ 40,713,870</b>	<b>\$ 3,493,729</b>	<b>\$ 637,948</b>	<b>\$ 204,975</b>	<b>\$ (577,727)</b>	<b>\$ 44,472,795</b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	\$ 499,318	\$ 388,384	\$ 32,380	\$ 12,532	\$ (21,727)	\$ 910,887
Grants payable	176,465	-	-	554	-	177,019
Accrued salaries and benefits	3,922,881	99,311	75,269	43,965	-	4,141,426
Line of credit	-	278,000	278,000	-	(556,000)	-
Total liabilities	4,598,664	765,695	385,649	57,051	(577,727)	5,229,332
<b>NET ASSETS</b>						
Unrestricted	7,179,258	47,600	62,308	35,084	53,167	7,377,417
Temporarily restricted	28,087,693	2,680,434	189,991	112,840	(53,167)	31,017,791
Permanently restricted	848,255	-	-	-	-	848,255
Total net assets	36,115,206	2,728,034	252,299	147,924	-	39,243,463
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 40,713,870</b>	<b>\$ 3,493,729</b>	<b>\$ 637,948</b>	<b>\$ 204,975</b>	<b>\$ (577,727)</b>	<b>\$ 44,472,795</b>



## AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2018

	American Refugee Committee	Questscope	Questscope LTD.	ORAM	Eliminations	Total
<b>UNRESTRICTED</b>						
<b>REVENUE AND SUPPORT</b>						
Contributions	\$ 6,389,691	\$ 447,394	\$ 672,290	\$ 81,283	\$ (400,000)	\$ 7,190,658
Interest and investment income	19,782	-	-	81	(13,130)	6,733
Other income	1,197,880	14,454	51,281	38,000	(78,674)	1,222,941
Net assets released from donor restrictions	49,698,490	5,762,307	473,009	40,327	(435,432)	55,538,701
Total unrestricted revenue and support	57,305,843	6,224,155	1,196,580	159,691	(927,236)	63,959,033
<b>EXPENSES</b>						
Program Services:						
International Programs	50,347,807	5,537,051	740,749	110,291	(1,033,273)	55,702,625
Supporting Services:						
General and Administrative	4,356,818	653,447	397,998	104,252	(28,542)	5,483,973
Fundraising	1,649,236	-	25,478	11,881	(15,421)	1,671,174
Total supporting services	6,006,054	653,447	423,476	116,133	(43,963)	7,155,147
Total expenses	56,353,861	6,190,498	1,164,225	226,424	(1,077,236)	62,857,772
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>\$ 951,982</b>	<b>\$ 33,657</b>	<b>\$ 32,355</b>	<b>\$ (66,733)</b>	<b>\$ 150,000</b>	<b>\$ 1,101,261</b>
<b>TEMPORARILY RESTRICTED</b>						
Contributions and grants:						
Contributions	\$ 9,168,585	\$ 427,807	\$ 474,838	\$ -	\$ (260,956)	\$ 9,810,274
U.S. Government grants	19,568,033	174,476	-	-	(174,476)	19,568,033
United Nations grants	14,001,683	3,431,145	-	-	-	17,432,828
Private and other support	11,045,504	166,565	-	100,000	-	11,312,069
In-kind goods and services	9,240	-	-	-	-	9,240
Interest and investment income	37,119	-	-	-	-	37,119
Net assets released from donor restrictions	(49,698,490)	(5,762,307)	(473,009)	(40,327)	435,432	(55,538,701)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b>\$ 4,131,674</b>	<b>\$ (1,562,314)</b>	<b>\$ 1,829</b>	<b>\$ 59,673</b>	<b>\$ -</b>	<b>\$ 2,630,862</b>

**AMERICAN REFUGEE COMMITTEE AND SUBSIDIARIES**  
**CONSOLIDATING SCHEDULE OF CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

	American Refugee Committee	Questscope	Questscope LTD.	ORAM	Eliminations	Total
<b>UNRESTRICTED NET ASSETS</b>						
Net assets at beginning of year	\$ 6,227,276	\$ 13,943	\$ 29,953	\$ -	\$ -	\$ 6,271,172
Transfer of net assets	-	-	-	101,817	(96,833)	4,984
Change in unrestricted net assets	951,982	33,657	32,355	(66,733)	150,000	1,101,261
Total unrestricted net assets at end of year	7,179,258	47,600	62,308	35,084	53,167	7,377,417
<b>TEMPORARILY RESTRICTED NET ASSETS</b>						
Net assets at beginning of year	23,956,019	4,242,748	188,162	-	-	28,386,929
Transfer of net assets	-	-	-	53,167	(53,167)	-
Change in temporarily restricted net assets	4,131,674	(1,562,314)	1,829	59,673	-	2,630,862
Total temporarily restricted net assets at end of year	28,087,693	2,680,434	189,991	112,840	(53,167)	31,017,791
<b>PERMANENTLY RESTRICTED NET ASSETS</b>						
Net assets at beginning of year	848,255	-	-	-	-	848,255
Change in permanently restricted net assets	-	-	-	-	-	-
Total permanently restricted net assets at end of year	848,255	-	-	-	-	848,255
<b>TOTAL NET ASSETS AT END OF YEAR</b>	<b>\$ 36,115,206</b>	<b>\$ 2,728,034</b>	<b>\$ 252,299</b>	<b>\$ 147,924</b>	<b>\$ -</b>	<b>\$ 39,243,463</b>