

# **Jesuit Refugee Service/ USA, Inc.**

Financial Report  
December 31, 2016

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**Independent Auditor's Report**

To the Board of Directors  
Jesuit Refugee Service/USA, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Jesuit Refugee Service/USA, Inc. (JRS), which comprise the balance sheet as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JRS as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited JRS's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 15, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2017, on our consideration of JRS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 JRS's internal control over financial reporting and compliance.

*RSM US LLP*

Washington, D.C.  
September 28, 2017

**Jesuit Refugee Service/USA, Inc.**

**Balance Sheet**

**December 31, 2016**

**(With Comparative Totals for 2015)**

	2016	2015
<b>Assets</b>		
Cash	\$ 5,346,320	\$ 1,957,891
Accounts receivable	89,825	100,064
Promises to give, net	350,522	159,977
Investments	4,152,277	3,843,182
Prepaid expenses and other	-	12,667
	<u>\$ 9,938,944</u>	<u>\$ 6,073,781</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 272,542	\$ 88,593
Deferred revenue	21,584	-
Due to Jesuit Conference	63,480	3,331
<b>Total liabilities</b>	<u>357,606</u>	<u>91,924</u>
Commitment and contingency (Notes 6 and 8)		
Net assets:		
Unrestricted:		
Undesignated	3,451,443	2,038,791
Board designated	-	250,000
	<u>3,451,443</u>	<u>2,288,791</u>
Temporarily restricted	6,129,895	3,693,066
	<u>9,581,338</u>	<u>5,981,857</u>
	<u>\$ 9,938,944</u>	<u>\$ 6,073,781</u>

See notes to financial statements.

**Jesuit Refugee Service/USA, Inc.**

**Statement of Activities**

**Year Ended December 31, 2016**

**(With Comparative Totals for 2015)**

	2016			2015
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue:				
Federal grants	\$ 3,104,843	\$ -	\$ 3,104,843	\$ 2,817,337
Contributions	2,600,355	3,453,374	6,053,729	1,982,308
Federal contract –				
Department of Homeland Security	1,014,914	-	1,014,914	968,502
Contributed services	1,035,866	-	1,035,866	28,063
Investment income, net	88,922	220,173	309,095	93,794
Province subsidies	275,000	-	275,000	275,004
Donated professional services	69,997	-	69,997	49,784
Other	10	-	10	2,904
Released from restriction	1,236,718	(1,236,718)	-	-
<b>Total support and revenue</b>	<b>9,426,625</b>	<b>2,436,829</b>	<b>11,863,454</b>	<b>6,217,696</b>
Expenses:				
Program services:				
JRS International	3,451,984	-	3,451,984	4,259,767
Chaplaincy	1,101,419	-	1,101,419	921,042
Global Education Initiative	834,534	-	834,534	15,059
Policy	291,914	-	291,914	266,425
Communication	260,571	-	260,571	162,740
Outreach	46,731	-	46,731	159,080
<b>Total program services</b>	<b>5,987,153</b>	<b>-</b>	<b>5,987,153</b>	<b>5,784,113</b>
Support services:				
Fundraising	1,743,286	-	1,743,286	307,728
Management and general	533,534	-	533,534	340,821
<b>Total support services</b>	<b>2,276,820</b>	<b>-</b>	<b>2,276,820</b>	<b>648,549</b>
<b>Total expenses</b>	<b>8,263,973</b>	<b>-</b>	<b>8,263,973</b>	<b>6,432,662</b>
<b>Change in net assets</b>	<b>1,162,652</b>	<b>2,436,829</b>	<b>3,599,481</b>	<b>(214,966)</b>
Net assets:				
Beginning	2,288,791	3,693,066	5,981,857	6,196,823
Ending	<b>\$ 3,451,443</b>	<b>\$ 6,129,895</b>	<b>\$ 9,581,338</b>	<b>\$ 5,981,857</b>

See notes to financial statements.

# Jesuit Refugee Service/USA, Inc.

## Statement of Functional Expenses Year Ended December 31, 2016 (With Comparative Totals for 2015)

	Program Services							Support Services			2016 Total	2015 Total
	JRS International	Chaplaincy	Global Education Initiative	Policy	Outreach	Communication	Total Program	Management and General	Fundraising	Total Support		
Staff expenses:												
Salaries	\$ 61,129	\$ 543,546	\$ 74,555	\$ 198,622	\$ 6,096	\$ 141,730	\$ 1,025,678	\$ 52,597	\$ 210,024	\$ 262,621	\$ 1,288,299	\$ 998,714
Health insurance	13,361	305,253	27,182	14,325	1,254	27,438	388,813	18,267	64,528	82,795	471,608	296,368
Chaplaincy professional services	-	173,113	-	-	-	-	173,113	-	-	-	173,113	198,308
Payroll taxes	5,245	45,095	6,014	17,076	340	12,106	85,876	6,086	19,039	25,125	111,001	82,605
Retirement	-	10,555	-	8,795	-	6,659	26,009	801	10,744	11,545	37,554	44,674
Staff development	-	550	-	-	-	-	550	584	185	769	1,319	3,923
Volunteer support	-	-	-	-	-	-	-	-	-	-	-	3,139
<b>Total staff expenses</b>	<b>79,735</b>	<b>1,078,112</b>	<b>107,751</b>	<b>238,818</b>	<b>7,690</b>	<b>187,933</b>	<b>1,700,039</b>	<b>78,335</b>	<b>304,520</b>	<b>382,855</b>	<b>2,082,894</b>	<b>1,627,731</b>
Travel	21,800	4,431	34,718	10,232	856	8,814	80,851	32,588	87,650	120,238	201,089	68,398
Office:												
Rent	6,871	-	-	29,471	26,039	26,039	88,420	19,168	26,039	45,207	133,627	132,105
Printing and copying/newsletter	-	3,665	10,415	2,000	92	12,981	29,153	-	27,593	27,593	56,746	30,151
Insurance	-	-	-	3,334	3,334	3,334	10,002	14,302	10,447	24,749	34,751	23,367
Telephone and communications	32	3,849	13,888	912	1,953	2,172	22,806	3,636	3,222	6,858	29,664	12,263
Subscriptions and books	-	-	2,547	-	-	3,868	6,415	93	16,126	16,219	22,634	4,970
Equipment, repair and maintenance	3,484	-	2,826	817	817	817	8,761	3,781	9,949	13,730	22,491	-
Office supplies	1,978	2,239	1,346	30	14	4,713	10,320	3,028	6,231	9,259	19,579	36,377
Postage and mailing services	-	1,562	576	-	9	4,333	6,480	2,341	9,185	11,526	18,006	8,941
Computing software	-	1,664	-	-	-	53	1,717	6,120	-	6,120	7,837	727
<b>Total office</b>	<b>12,365</b>	<b>12,979</b>	<b>31,598</b>	<b>36,564</b>	<b>32,258</b>	<b>58,310</b>	<b>184,074</b>	<b>52,469</b>	<b>108,792</b>	<b>161,261</b>	<b>345,335</b>	<b>248,901</b>
General:												
Professional fees	14,430	-	-	-	5,000	2,600	22,030	177,811	959,892	1,137,703	1,159,733	103,650
Accounting and audit fees	2,348	-	-	-	552	-	2,900	149,897	22,649	172,546	175,446	177,307
Meetings	-	107	2,621	3,110	375	681	6,894	9,715	25,750	35,465	42,359	67,942
Management board development	-	-	1,100	-	-	-	1,100	8,660	6,752	15,412	16,512	10,146
Memberships	-	-	-	3,190	-	-	3,190	-	75	75	3,265	5,693
General	-	-	-	-	-	-	-	-	-	-	-	1,470
<b>Total general</b>	<b>16,778</b>	<b>107</b>	<b>3,721</b>	<b>6,300</b>	<b>5,927</b>	<b>3,281</b>	<b>36,114</b>	<b>346,083</b>	<b>1,015,118</b>	<b>1,361,201</b>	<b>1,397,315</b>	<b>366,208</b>
Other:												
Grants for projects	3,321,306	-	656,746	-	-	-	3,978,052	-	-	-	3,978,052	4,106,080
Advertising	-	-	-	-	-	2,233	2,233	-	227,206	227,206	229,439	-
Bank charges	-	-	-	-	-	-	-	15,078	-	15,078	-	-
Other	-	-	-	-	-	-	-	8,981	-	8,981	8,981	-
Project supplies – religious	-	5,790	-	-	-	-	5,790	-	-	-	5,790	15,344
<b>Total other</b>	<b>3,321,306</b>	<b>5,790</b>	<b>656,746</b>	<b>-</b>	<b>-</b>	<b>2,233</b>	<b>3,986,075</b>	<b>24,059</b>	<b>227,206</b>	<b>251,265</b>	<b>4,237,340</b>	<b>4,121,424</b>
<b>Total expenses</b>	<b>\$ 3,451,984</b>	<b>\$ 1,101,419</b>	<b>\$ 834,534</b>	<b>\$ 291,914</b>	<b>\$ 46,731</b>	<b>\$ 260,571</b>	<b>\$ 5,987,153</b>	<b>\$ 533,534</b>	<b>\$ 1,743,286</b>	<b>\$ 2,276,820</b>	<b>\$ 8,263,973</b>	<b>\$ 6,432,662</b>

See notes to financial statements.

**Jesuit Refugee Service/USA, Inc.**

**Statement of Cash Flows**  
**Year Ended December 31, 2016**  
**(With Comparative Totals for 2015)**

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ 3,599,481	\$ (214,966)
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Unrealized and realized gains on investments	(249,710)	(34,258)
Change in present value discount of promises to give	9,917	-
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	10,239	308,487
Promises to give	(200,462)	159,977
Prepaid expenses and other	12,667	3,917
Increase (decrease) in:		
Accounts payable and accrued expenses	183,949	(4,099)
Deferred revenue	21,584	-
Due to/from Jesuit Conference	60,149	(15,204)
<b>Net cash provided by operating activities</b>	<b>3,447,814</b>	<b>203,854</b>
Cash flows from investing activities:		
Purchase of investments	(3,213,443)	(1,497,980)
Proceeds from sale of investments	3,154,058	1,438,444
<b>Net cash used in investing activities</b>	<b>(59,385)</b>	<b>(59,536)</b>
<b>Net increase in cash</b>	<b>3,388,429</b>	<b>144,318</b>
Cash:		
Beginning	1,957,891	1,813,573
Ending	<b>\$ 5,346,320</b>	<b>\$ 1,957,891</b>

See notes to financial statements.



## Jesuit Refugee Service/USA, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** Jesuit Refugee Service/USA, Inc. (JRS) is a nonprofit corporation located in the District of Columbia and formed in September 1984. JRS was established to accompany, serve and defend the rights of refugees and forcibly displaced people.

A summary of JRS's significant programs are as follows:

**Department of Homeland Security:** JRS was awarded a contract from Department of Homeland Security in which JRS is an implementing partner to provide chaplaincy services in the United States detention centers. JRS is deeply concerned about the growing incarceration of asylum seekers and other aliens in the United States federal detention system. Working in consultation with other organizations, JRS advocates for the reduced use of detention and for the use of other, less restrictive, forms of monitoring. JRS is currently working to improve the standards of care for those detained in federally operated, contract and local detention centers, and to ensure that detained individuals of all faiths have access to religious services and freedom of religious expression. Revenue related to this program is included in the federal contract total on the statement of activities, and expenses are included in the Chaplaincy total on the statement of functional expenses.

**Department of State and U.S. Agency for International Development:** JRS received several cooperative agreements for the education, training and community development in five JRS International regions – Southern Africa, Eastern Africa, West Africa, Middle East and Asia Pacific. Revenue related to this program is included in the federal grants total on the statement of activities, and expenses are included in the JRS International total on the statement of functional expenses.

A summary of JRS's significant accounting policies follows:

**Basis of accounting:** The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby unconditional support is recognized when notification of the contribution is received, revenue is recognized when earned, and expenses are recognized when incurred.

**Basis of presentation:** The accompanying financial statement presentation follows the recommendations under the Not-for-Profit Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under the ASC, JRS is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. There were no permanently restricted net assets at December 31, 2016.

**Financial risk:** JRS maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. JRS has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk on cash.

JRS invests in a professionally managed portfolio that contains money market, equities and fixed income securities which are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the financial statements.

**Notes to Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

**Accounts receivable:** Contracts and grants receivables are carried at original invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Management has determined that all receivables are collectible; thus, there was no provision for doubtful accounts at December 31, 2016.

**Promise to give receivables:** Contributions are recognized when the donor makes a promise to give to JRS that is, in substance, unconditional. Promises to give to be received in a future period are discounted to their net present value at the time the revenue is recorded using a rate of 2%. The provision for doubtful promises to give is based on management's evaluation of the status of existing promises to give and historical results. There was no provision at December 31, 2016.

**Investments:** All investments in debt securities and investments in equity securities with readily determinable fair values are reflected at fair market value. To adjust the carrying value of these investments, the change in fair market value is charged or credited to current operations.

**Support and revenue:** JRS reports 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 on the statement of activities as net assets released from restrictions.

JRS receives grants from federal agencies for various purposes. Federal grants are recognized as revenue as qualifying expenditures are incurred. Grant receivables are recorded to the extent unreimbursed expenditures have been incurred for the purposes specified by an approved grant. JRS defers grant payments received under approved awards from grantors to the extent they exceed grant expenditures incurred for the purposes specified under the grant.

JRS has a fixed price contract with a federal agency which is billed monthly in accordance with the contract. Revenue is recognized when billed, which coincides with when services are performed.

JRS receives funding from subsidies granted by the seven participating provinces of the Society of Jesus.

**Contributed services:** A substantial number of vendors have made significant contributions of their time to JRS to help raise funds for its global education initiative program which are measured objectively at fair value for the services provided. The value of this contributed time for the year ended December 31, 2016, \$1,035,866, is reflected in these statements since it is susceptible to objective measurement and valuation. The expenses are included in fundraising expenses on the statement of activities.

**Functional expenses:** The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function, but that provide for the overall support and direction of JRS and are unallocated on the statement of activities.

**Use of estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Notes to Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

**Income taxes:** JRS is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, JRS qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Income from certain activities not directly related to JRS's exempt purpose, less applicable deductions, is subject to taxation as unrelated business income. For the year ended December 31, 2016, JRS had no net unrelated business income.

Management evaluated JRS's tax positions and concluded that JRS had taken no uncertain tax positions that require adjustment to the financial statements. Generally, JRS is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2013.

**Prior year information:** The financial statements include certain prior year summarized comparative information in total but not by net asset class or function; specifically, the lack of 2015 footnote information, a breakout of temporarily restricted activities in the statement of activities for 2015 and a 2015 statement of functional expenses by program. Such information presented does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with JRS's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

**Recent accounting pronouncements:** In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (U.S. GAAP) when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2018. JRS has not yet selected a transition method and is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. JRS is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

## Jesuit Refugee Service/USA, Inc.

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, net assets with donor restrictions and net assets without donor restrictions, and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017, with early adoption permitted. JRS is currently evaluating the impact the adoption of this guidance will have on its financial statements.

**Subsequent events:** JRS evaluated subsequent events through September 28, 2017, which is the date the financial statements were available to be issued.

#### Note 2. Promises to Give

Promises to give at December 31, 2016, consist of the following:

Promises to give due in less than one year	\$ 106,755
Promises to give due in one to five years	253,684
Total promises to give	360,439
Less discount to net present value	9,917
	<u>\$ 350,522</u>

#### Note 3. Investments

Investments consist of the following at December 31, 2016:

Equities	\$ 2,490,579
Fixed income	1,376,705
Money market	284,993
	<u>\$ 4,152,277</u>

Investment income, net for the year ended December 31, 2016, is as follows:

Unrealized and realized gains, net	\$ 249,710
Interest and dividends	96,729
Investment fees	(37,344)
	<u>\$ 309,095</u>

#### Note 4. Fair Value Measurements

The ASC Topic on Fair Value Measurement requires disclosures in periods subsequent to initial recognition, whether the measurements are made on a recurring basis or a non-recurring basis, establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosure about fair market value measurement. This enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking quality and reliability of the information used to determine fair value.

## Jesuit Refugee Service/USA, Inc.

### Notes to Financial Statements

#### Note 4. Fair Value Measurements (Continued)

The provision applies to all assets and liabilities that are being measured and reported on a fair value basis, and are disclosed in one of the following three categories:

**Level 1:** Quoted market prices in active markets for identical assets or liabilities.

**Level 2:** Observable market-based inputs or unobservable inputs corroborated by market data.

**Level 3:** Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, JRS performs a detailed analysis of the assets and liabilities that are subject to the fair value measurement. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by JRS at December 31, 2016. There were no liabilities subject to fair value measurement at December 31, 2016.

The table below presents the balances of assets at December 31, 2016, measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
Equities:				
IT	\$ 650,113	\$ 650,113	\$ -	\$ -
Financials	506,185	506,185	-	-
Health care	348,631	348,631	-	-
Consumer discretionary	314,669	314,669	-	-
Consumer staples	224,865	224,865	-	-
Industrials	121,883	121,883	-	-
Energy	121,294	121,294	-	-
Utilities	88,974	88,974	-	-
Telecommunications	84,074	84,074	-	-
Materials	29,891	29,891	-	-
Total equities	2,490,579	2,490,579	-	-
Fixed income:				
Corporate bonds	805,626	805,626	-	-
Municipal bonds	429,130	-	429,130	-
Government Agency	117,019	-	117,019	-
Foreign bonds	24,930	-	24,930	-
Total fixed income	1,376,705	805,626	571,079	-
Money market	284,993	284,993	-	-
	\$ 4,152,277	\$ 3,581,198	\$ 571,079	\$ -

JRS's equities and money market are publicly traded on the New York Stock Exchange and are considered Level 1 items. Corporate bonds are based on quoted market prices, when available, or market prices provided by recognized broker dealers; thus, they are categorized as Level 1. The municipal bonds and foreign bonds are priced based on their stated interest rates and quality ratings. The interest and quality ratings are observable at commonly quoted intervals for the full term of the instruments and are, therefore, considered Level 2 items.

## Jesuit Refugee Service/USA, Inc.

### Notes to Financial Statements

#### Note 5. Temporarily Restricted Net Assets

Changes in temporarily restricted net assets during the year ended December 31, 2016, consist of the following:

	Balance December 31, 2015	Additions	Transferred	Released	Balance December 31, 2016
Time restricted:					
Earthquake relief	\$ 159,977	\$ -	\$ (159,977)	\$ -	\$ -
Global Education Initiative	-	435,083	(84,561)	-	350,522
Purpose restricted:					
Fund for the future – Jesuit Missions	2,737,555	220,173	-	(147,886)	2,809,842
Global Education Initiative	238,733	2,218,672	88,836	(803,214)	1,743,027
JRS International	472,763	783,479	(4,275)	(200,701)	1,051,266
Earthquake relief	70,488	10,140	159,977	(73,065)	167,540
Outreach	-	6,000	-	(450)	5,550
Retreats	13,550	-	-	(11,402)	2,148
	<u>\$ 3,693,066</u>	<u>\$ 3,673,547</u>	<u>\$ -</u>	<u>\$ (1,236,718)</u>	<u>\$ 6,129,895</u>

#### Note 6. Related Party Commitment

JRS has an agreement (Memorandum of Understanding) with an affiliated entity, the Jesuit Conference (JC), whereby JC agrees to provide office space, furniture and equipment, including telephone and communication equipment to JRS through December 31, 2019. Rent and related expenses for the year ended December 31, 2016, were \$254,640. Future minimum payments for all services consist of the following:

Years ending December 31:	
2017	\$ 337,442
2018	337,442
2019	337,442
	<u>\$ 1,012,326</u>

#### Note 7. Retirement Plan

JRS has a 401(k) retirement plan (the Plan). The Plan covers all full-time employees age 21 years or older. Employees who have completed at least two continuous years of service with JRS and all part-time employees, 21 years or older, who have acquired at least 2,000 hours of service within a 24-month period, beginning January 1, are eligible to receive employer profit sharing contributions. JRS makes a discretionary profit sharing contribution to the Plan each year. For the year ended December 31, 2016, JRS contributed amounts equal to 8% of employees' base salaries, which totaled \$37,554.

#### Note 8. Contingency

JRS participates in federally assisted grant programs which are subject to financial and compliance audits by the federal agency or their representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.