

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

Financial Report  
December 31, 2020

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RSM US LLP

## Independent Auditor's Report

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, 2020, 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 Jesuit Refugee Service/USA, Inc. as of December 31, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 4, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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 April 28, 2021, 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 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 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.  
April 28, 2021

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

**Balance Sheet**

**December 31, 2020**

**(With Comparative Totals for 2019)**

	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash	\$ 1,670,659	\$ 1,344,301
Accounts receivable	120,935	194,347
Promises to give, net	346,102	367,929
Prepaid expenses	70,224	88,635
Investments	9,474,858	7,928,376
Property and equipment, net	205,893	87,521
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 11,888,671</b>	<b>\$ 10,011,109</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 323,548	\$ 246,503
Deferred revenue	60,000	30,000
Due to Jesuit Conference	-	150
Deferred rent and incentives	297,886	-
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<b>Total liabilities</b>	<b>681,434</b>	<b>276,653</b>
	<hr/> <hr/>	<hr/> <hr/>
Commitment and contingencies (Notes 8 and 10)		
Net assets:		
Without donor restrictions		
Undesignated	5,872,807	3,671,109
Board designated	2,900,000	2,900,000
	<hr/>	<hr/>
	8,772,807	6,571,109
With donor restrictions	2,434,430	3,163,347
	<hr/>	<hr/>
	11,207,237	9,734,456
	<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and net assets</b>	<b>\$ 11,888,671</b>	<b>\$ 10,011,109</b>

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Statement of Activities

December 31, 2020

(With Comparative Totals for 2019)

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Federal grants	\$ 12,810,145	\$ -	\$ 12,810,145	\$ 8,414,554
Contributions	3,179,805	2,648,513	5,828,318	4,195,540
Federal contract –				
Department of Homeland Security	1,170,148	-	1,170,148	1,160,314
Contributed services	60,791	-	60,791	51,115
Investment income, net	726,675	-	726,675	1,017,356
Province subsidies	300,000	-	300,000	300,000
Other	57,777	-	57,777	4,681
Released from restrictions	3,377,430	(3,377,430)	-	-
<b>Total support and revenue</b>	<b>21,682,771</b>	<b>(728,917)</b>	<b>20,953,854</b>	<b>15,143,560</b>
Expenses:				
Program services:				
JRS International	14,993,718	-	14,993,718	9,833,798
Chaplaincy	849,016	-	849,016	936,792
Global Education Initiative	1,511,442	-	1,511,442	1,363,615
Policy and outreach	283,702	-	283,702	284,360
Communication	388,201	-	388,201	447,232
<b>Total program services</b>	<b>18,026,079</b>	<b>-</b>	<b>18,026,079</b>	<b>12,865,797</b>
Support services:				
Management and general	691,799	-	691,799	628,836
Fundraising	763,195	-	763,195	856,483
<b>Total support services</b>	<b>1,454,994</b>	<b>-</b>	<b>1,454,994</b>	<b>1,485,319</b>
<b>Total expenses</b>	<b>19,481,073</b>	<b>-</b>	<b>19,481,073</b>	<b>14,351,116</b>
<b>Change in net assets</b>	<b>2,201,698</b>	<b>(728,917)</b>	<b>1,472,781</b>	<b>792,444</b>
Net assets:				
Beginning	6,571,109	3,163,347	9,734,456	8,942,012
Ending	\$ 8,772,807	\$ 2,434,430	\$ 11,207,237	\$ 9,734,456

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Statement of Functional Expenses  
December 31, 2020  
(With Comparative Totals for 2019)

	2020											2019
	Program Services					Support Services						
	JRS International	Chaplaincy	Global Education Initiative	Policy and Outreach	Communication	Total Program	Management and General	Fundraising	Total Support	Total		
JRS International grants	\$ 14,131,342	\$ -	\$ 1,511,442	\$ -	\$ -	\$ 15,642,784	\$ -	\$ -	\$ -	\$ 15,642,784	\$ 10,539,667	
Salaries	525,700	370,993	-	163,197	189,059	1,248,949	396,648	346,361	743,009	1,991,958	1,791,538	
Employee benefits	145,909	203,373	-	33,755	57,786	440,823	102,269	90,341	192,610	633,433	577,014	
Professional services	58,877	191,540	-	6,784	64,065	321,266	63,226	139,467	202,693	523,959	549,146	
Occupancy	71,873	-	-	21,411	26,010	119,294	54,962	48,021	102,983	222,277	248,291	
Travel and meetings	9,891	23,271	-	13,337	775	47,274	6,625	9,537	16,162	63,436	226,572	
Office expenses	35,300	13,559	-	40,247	44,782	133,888	29,967	84,245	114,212	248,100	243,862	
Contributed services/ in-kind donations	-	24,154	-	-	-	24,154	3,604	33,033	36,637	60,791	69,511	
Religious materials	-	22,060	-	-	-	22,060	-	-	-	22,060	45,535	
Bank charges	-	-	-	-	-	-	11,671	-	11,671	11,671	7,314	
Depreciation and amortization	14,826	-	-	4,971	5,724	25,521	12,566	12,116	24,682	50,203	48,915	
Other expense	-	66	-	-	-	66	10,261	74	10,335	10,401	3,751	
<b>Total expenses</b>	<b>\$ 14,993,718</b>	<b>\$ 849,016</b>	<b>\$ 1,511,442</b>	<b>\$ 283,702</b>	<b>\$ 388,201</b>	<b>\$ 18,026,079</b>	<b>\$ 691,799</b>	<b>\$ 763,195</b>	<b>\$ 1,454,994</b>	<b>\$ 19,481,073</b>	<b>\$ 14,351,116</b>	

See notes to financial statements.

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

**Statement of Cash Flows**

**December 31, 2020**

**(With Comparative Totals for 2019)**

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 1,472,781	\$ 792,444
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Unrealized and realized gains on investments	(610,172)	(871,716)
Decrease in present value discount of promises to give	-	(1,567)
Depreciation	50,203	48,915
Deferred rent and incentives	297,886	-
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	73,412	(52,539)
Promises to give	21,827	126,191
Prepaid expenses	18,411	(57,277)
Increase (decrease) in:		
Accounts payable and accrued expenses	77,045	84,185
Deferred revenue	30,000	(21,114)
Due to Jesuit Conference	(150)	(1,134)
<b>Net cash provided by operating activities</b>	<b>1,431,243</b>	<b>46,388</b>
Cash flows from investing activities:		
Purchase of property and equipment	(168,575)	(39,141)
Purchase of investments	(1,678,030)	(2,650,833)
Proceeds from sale of investments	741,720	225,375
<b>Net cash used in investing activities</b>	<b>(1,104,885)</b>	<b>(2,464,599)</b>
<b>Net increase (decrease) in cash</b>	<b>326,358</b>	<b>(2,418,211)</b>
Cash:		
Beginning	1,344,301	3,762,512
Ending	<b>\$ 1,670,659</b>	<b>\$ 1,344,301</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 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:** JRS received several cooperative agreements for the education, training and community development in six JRS International regions – Southern Africa, Eastern Africa, West Africa, South America, Asia Pacific and Middle East. 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:

**Adoption of recent accounting pronouncement:** In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. This new standard clarifies the scope and the accounting guidance for contributions received. The amendments in the ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The ASU has different effective dates for a resource recipients and resource providers. Where JRS is a resource recipient, the ASU was adopted in 2019. Where JRS is a resource provider, the ASU was adopted for the year ended December 31, 2020. JRS has adopted this amendment on a modified prospective basis with no effect on the financial statements.

**Basis of presentation:** The accompanying financial statement presentation follows the recommendations under the Not-for-Profit Topic of the FASB Accounting Standards Codification (ASC). Under the ASC, JRS is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Board of Directors may designate net assets without donor restrictions at its discretion. During 2020, the Board designated \$2,900,000 to serve as an operating reserve.

**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 portfolio that contains mutual funds, 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, 2020.

**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, 2020.

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

**Property and equipment:** Property and equipment are stated at cost less accumulated depreciation. JRS follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000. Depreciation is provided on a straight-line basis over the estimated useful lives of three years. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the improvements.

**Valuation of long-lived assets:** Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

**Support and revenue:** Unconditional contributions are recognized as support when received. JRS reports contributions as 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, restricted net assets are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. Conditional contributions are recognized when the conditions on which they depend are substantially met.

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 the payments 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 over time. The receivable for amounts not collected, which is included with accounts receivable on the balance sheet, is \$97,525 at December 31, 2020.

## Jesuit Refugee Service/USA, Inc.

### Notes to Financial Statements

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

JRS receives funding from subsidies granted by participating provinces of the Society of Jesus. These funds are unconditional and are recognized as revenue in the year received.

**Contributed services:** A number of vendors have made contributions to JRS which are measured objectively at fair value for the services provided. The value of the contributed services for the year ended December 31, 2020, totaling \$60,791 is reflected in these statements since it is susceptible to objective measurement and valuation.

**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 using salaries for each function as a percentage of total salaries as the allocation base. 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 in conformity with generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

**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, 2020, 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 2017.

**Reclassifications:** Certain amounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on the previously report change in net assets.

**Recent accounting pronouncements:** 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, 2021, 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 September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and disclosures by Not-For-Profit entities for Contributed Nonfinancial Assets*. ASU 2020-07 is applicable to not-for-profit entities that receive contributions of nonfinancial assets. Nonfinancial assets include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. Contribution revenue may be presented in the financial statements using different terms with this amendment. The amendment addresses presentation and disclosure of contributed nonfinancial assets. ASU 2020-07 should be applied on a retrospective basis and is effective for annual period beginning after June 15, 2021. Early adoption is permitted. JRS is currently evaluating the impact of the adoption of this guidance on the financial statements.

**Subsequent events:** JRS has evaluated subsequent events through April 28, 2021, the date on which the financial statements were available to be issued.

#### Note 2. Liquidity and Availability of Financial Assets

JRS regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. JRS has various sources of liquidity at its disposal, including cash and equity securities. As of December 31, 2020, the following financial assets are available to meet annual operating needs of the 2021 fiscal year:

Cash	\$ 1,670,659
Accounts receivable	120,935
Promises to give, net	346,102
Investments	9,474,858
Total financial assets	<u>11,612,554</u>
Less donor purpose restrictions	(2,088,328)
Less board-designated operating reserve	(2,900,000)
Available to meet general expenditures within one year	<u>\$ 6,624,226</u>

JRS manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining a sufficient level of asset liquidity
- Monitoring and maintaining reserves to provide reasonable assurance that long-term commitments and obligations related to donor restrictions will continue to be met

JRS receives time restricted promises to give and purpose restricted contributions from time to time, which are not available for general expenditures. JRS's Board of Directors has also designated funds for an operating reserve in the event of unforeseen revenue shortfalls. These board designated funds are not immediately available to cover general expenditures unless approved by the Board upon management's request.

## Jesuit Refugee Service/USA, Inc.

### Notes to Financial Statements

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#### Note 3. Investments

Investments consist of the following at December 31, 2020:

Mutual funds	\$ 9,469,905
Common stocks	4,953
	<u>\$ 9,474,858</u>

Investment income, net for the year ended December 31, 2020, is as follows:

Unrealized and realized gains, net	\$ 610,172
Interest and dividends	116,503
	<u>\$ 726,675</u>

#### Note 4. Property and Equipment

Property, equipment and accumulated depreciation at December 31, 2020, and depreciation and amortization expense for the year ended December 31, 2020, are as follows:

	Cost	Accumulated Depreciation	Net	Depreciation and Amortization
Office equipment	\$ 25,496	\$ 25,496	\$ -	\$ -
Leasehold improvements	226,815	51,576	175,239	16,761
Software and website	100,325	69,671	30,654	33,442
	<u>\$ 352,636</u>	<u>\$ 146,743</u>	<u>\$ 205,893</u>	<u>\$ 50,203</u>

#### Note 5. 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 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.

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, 2020. There were no liabilities subject to fair value measurement at December 31, 2020.

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

**Notes to Financial Statements**

**Note 5. Fair Value Measurements (Continued)**

The table below presents the balances of assets at December 31, 2020, measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
Mutual funds:				
Money market	\$ 3,806,696	\$ 3,806,696	\$ -	\$ -
Short-term bond (US)	1,350,315	1,350,315	-	-
Foreign large blend (Non US)	575,483	575,483	-	-
Large blend (US)	3,737,411	3,737,411	-	-
	9,469,905	9,469,905	-	-
Common stocks:				
Domestic large value	4,953	4,953	-	-
	<u>\$ 9,474,858</u>	<u>\$ 9,474,858</u>	<u>\$ -</u>	<u>\$ -</u>

JRS's mutual funds and common stocks are publicly traded on an active exchange and are considered Level 1 items.

**Note 6. Donor Restricted Net Assets**

Net assets are subject to donor-imposed restrictions that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Changes in donor restricted net assets during the year ended December 31, 2020, consist of the following:

	Balance December 31, 2019	Additions	Transferred	Released	Balance December 31, 2020
Time restricted:					
Global Education Initiative	\$ 108,411	\$ 1,490	\$ (70,000)	\$ -	\$ 39,901
Other promises to give	257,641	306,201	(182,750)	(74,891)	306,201
Purpose restricted:					
Fund for the future – Jesuit Missions	1,500,000	-	-	-	1,500,000
Global Education Initiative	756,669	581,642	205,000	(1,516,874)	26,437
JRS International	536,388	1,323,205	47,750	(1,440,297)	467,046
Domestic Fund	4,238	92,845	-	(2,238)	94,845
COVID-19 Response	-	343,130	-	(343,130)	-
	<u>\$ 3,163,347</u>	<u>\$ 2,648,513</u>	<u>\$ -</u>	<u>\$ (3,377,430)</u>	<u>\$ 2,434,430</u>

## Jesuit Refugee Service/USA, Inc.

### Notes to Financial Statements

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#### Note 7. Related Party Commitment

JRS had an agreement (Memorandum of Understanding) with an affiliated entity, the Jesuit Conference (JC), whereby JC agreed to provide office space, technology services, and access to legal counsel to JRS through January 31, 2020. Rent and related expenses for the year ended December 31, 2020, were \$26,644. This agreement was not renewed.

#### Note 8. Lease

JRS entered into a 10 year noncancelable lease agreement for office space, in February 2020, which is set to expire July 2030 and required monthly rent payments of approximately \$17,400. The lease calls for escalating monthly rent payments. A tenant improvement allowance totaling \$192,000 was allotted by the landlord. The deferred rent and lease incentive are being amortized over the term of the lease.

Future minimum rental payments under this agreement are as follows:

2021	\$ 215,499
2022	223,041
2023	230,851
2024	238,929
2025	247,293
Thereafter	<u>1,249,766</u>
	<u>\$ 2,405,379</u>

Rent expense was \$222,277 in 2020.

#### Note 9. Retirement Plan

JRS has a 401(k) retirement plan (the Plan). Full-time 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, 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, 2020, JRS contributed amounts equal to 8% of employees' base salaries, which totaled \$106,371.

#### Note 10. Contingencies

**Federal grants:** 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.

**COVID-19 Pandemic:** The continued global pandemic in 2020 has created substantial volatility in financial markets and the economy, including geographical areas in which JRS operates. While JRS has mitigated the financial impact to its business, it is unknown how long these conditions will last and what the complete financial effect will be to JRS. Accordingly, there could be further negative impact to operations, the extent to which will depend on future developments, which are highly uncertain and cannot be predicted, and as such cannot be determined.

**Note 11. Conditional Promises to Give from Donors**

JRS has conditional promises to give from grantors totaling \$12,738,762 as of December 31, 2020. These represent grants from the U.S. government. Future payments are contingent upon JRS carrying out certain activities (meeting donor imposed barriers) stipulated by the grant or contract.