

Jesuit Refugee Service/USA, Inc.

Financial Report
December 31, 2021

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Independent Auditor's Report

RSM US LLP

Board of Directors
Jesuit Refugee Service/USA, Inc.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Jesuit Refugee Service/USA, Inc. (JRS), which comprise the balance sheet as of December 31, 2021, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jesuit Refugee Service/USA, Inc. as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JRS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of JRS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JRS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited JRS's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, 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 May 11, 2022, 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.
May 11, 2022

Jesuit Refugee Service/USA, Inc.

Balance Sheet

December 31, 2021

(With Comparative Totals for 2020)

	2021	2020
Assets		
Cash	\$ 1,488,619	\$ 1,670,659
Investments	11,186,598	9,474,858
Accounts receivable	105,932	120,935
Promises to give, net	285,170	346,102
Prepaid expenses	49,095	70,224
Property and equipment, net	179,287	205,893
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Total assets	\$ 13,294,701	\$ 11,888,671
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 163,622	\$ 323,548
Deferred revenue	30,000	60,000
Deferred rent and incentives	302,299	297,886
Total liabilities	495,921	681,434
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Commitment and contingencies (Notes 7 and 9)		
Net assets:		
Without donor restrictions:		
Undesignated	5,477,731	5,872,807
Board designated	4,475,000	2,900,000
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	9,952,731	8,772,807
With donor restrictions	2,846,049	2,434,430
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	12,798,780	11,207,237
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Total liabilities and net assets	\$ 13,294,701	\$ 11,888,671

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Statement of Activities
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Federal grants	\$ 17,365,261	\$ -	\$ 17,365,261	\$ 12,810,145
Contributions	3,079,782	4,016,549	7,096,331	5,828,318
Federal contract—				
Department of Homeland Security	1,221,461	-	1,221,461	1,170,148
Contributed services	83,878	-	83,878	60,791
Investment income, net	1,211,739	-	1,211,739	726,675
Province subsidies	300,000	-	300,000	300,000
Other	1,282	-	1,282	57,777
Released from restrictions	3,604,930	(3,604,930)	-	-
Total support and revenue	26,868,333	411,619	27,279,952	20,953,854
Expenses:				
Program services:				
JRS International	22,275,726	-	22,275,726	14,993,718
Chaplaincy	945,496	-	945,496	849,016
Global Education Initiative	-	-	-	1,511,442
U.S. Border Program	235,949	-	235,949	-
Policy and outreach	266,301	-	266,301	283,702
Communication	536,998	-	536,998	388,201
Total program services	24,260,470	-	24,260,470	18,026,079
Support services:				
Management and general	642,113	-	642,113	691,799
Fundraising	785,826	-	785,826	763,195
Total support services	1,427,939	-	1,427,939	1,454,994
Total expenses	25,688,409	-	25,688,409	19,481,073
Change in net assets	1,179,924	411,619	1,591,543	1,472,781
Net assets:				
Beginning	8,772,807	2,434,430	11,207,237	9,734,456
Ending	\$ 9,952,731	\$ 2,846,049	\$ 12,798,780	\$ 11,207,237

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

**Statement of Functional Expenses
Year Ended December 31, 2021
(With Comparative Totals for 2020)**

	2021											2020
	Program Services					Total Program	Support Services			Total Support	Total	
	JRS International	Chaplaincy	U.S. Border Program	Policy and Outreach	Communication		Management and General	Fundraising				
JRS International grants	\$ 21,174,014	\$ -	\$ -	\$ -	\$ -	\$ 21,174,014	\$ -	\$ -	\$ -	\$ 21,174,014	\$ 15,642,784	
Salaries	669,335	422,250	84,891	157,260	236,317	1,570,053	394,964	375,763	770,727	2,340,780	1,991,958	
Employee benefits	182,837	233,348	40,486	34,037	74,346	565,054	118,663	107,897	226,560	791,614	633,433	
Professional services	85,977	179,833	21,976	5,529	136,971	430,286	47,799	74,470	122,269	552,555	523,959	
Occupancy	77,019	-	-	19,352	28,868	125,239	48,622	46,051	94,673	219,912	222,277	
Travel and meetings	23,356	6,383	3,204	8,557	2,782	44,282	3,708	72,274	75,982	120,264	63,436	
Office expenses	41,902	30,449	24,701	37,002	50,521	184,575	16,209	90,477	106,686	291,261	248,100	
Contributed services and in-kind donations	-	24,878	59,000	-	-	83,878	-	-	-	83,878	60,791	
Religious materials	-	39,471	-	-	-	39,471	-	-	-	39,471	22,060	
Bank charges	3,407	2,149	435	800	1,203	7,994	2,010	-	2,010	10,004	11,671	
Depreciation and amortization	16,021	5,896	1,186	3,764	5,656	32,523	9,454	8,994	18,448	50,971	50,203	
Other expense	1,858	839	70	-	334	3,101	684	9,900	10,584	13,685	10,401	
Total expenses	\$ 22,275,726	\$ 945,496	\$ 235,949	\$ 266,301	\$ 536,998	\$ 24,260,470	\$ 642,113	\$ 785,826	\$ 1,427,939	\$ 25,688,409	\$ 19,481,073	

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Statement of Cash Flows
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 1,591,543	\$ 1,472,781
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Unrealized and realized gains on investments	(1,088,866)	(610,172)
Depreciation	50,971	50,203
Deferred rent and incentives	4,413	297,886
Changes in assets and liabilities:		
Decrease in:		
Accounts receivable	15,003	73,412
Promises to give	60,932	21,827
Prepaid expenses	21,129	18,411
Increase (decrease) in:		
Accounts payable and accrued expenses	(159,926)	77,045
Deferred revenue	(30,000)	30,000
Due to Jesuit Conference	-	(150)
Net cash provided by operating activities	465,199	1,431,243
Cash flows from investing activities:		
Purchase of property and equipment	(24,365)	(168,575)
Purchase of investments	(3,964,667)	(1,678,030)
Proceeds from sale of investments	3,341,793	741,720
Net cash used in investing activities	(647,239)	(1,104,885)
Net (decrease) increase in cash	(182,040)	326,358
Cash:		
Beginning	1,670,659	1,344,301
Ending	\$ 1,488,619	\$ 1,670,659
Supplemental schedule of noncash investing activity:		
Receipt of donated stock	\$ 1,110,164	\$ 238,619

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Notes to Financial Statements

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:

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 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 2021, the Board designated \$4,475,000 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.

Investments: All investments in equity securities with readily determinable fair values are reflected at fair value. Unrealized gains and losses on investments are reported in the statement of activities as part of investment income (loss). Investment advisor and trading fees related to the portfolio are presented within investment income (loss).

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, 2021.

Notes to Financial Statements

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

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, 2021.

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.

During the year ended December 31, 2021, contributions totaling \$686,790 were received from members of the Board of Directors.

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 \$104,701 at December 31, 2021.

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, 2021, totaling \$83,878 is reflected in these statements since it is susceptible to objective measurement and valuation.

Notes to Financial Statements

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

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income taxes: JRS is organized as a District of Columbia not-for-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRS Section 501(a) as an organization described in IRS Section 501(c)(3). JRS qualifies for the charitable contribution deduction under Internal Revenue Code Sections 170(b)(1)(A)(vi) and (viii) and has been determined not to be a private foundation under IRS Sections 509(a)(1) and (3). JRS has a group religious tax exemption status and is therefore not required to annually file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, JRS is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. JRS did not incur any unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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 2020 footnote information, a breakout of donor restricted activities in the statement of activities for 2020 and a 2020 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, 2020, from which the summarized information was derived.

Recent accounting pronouncements: In February 2016, the FASB issued Accounting Standards Update (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

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 periods beginning after June 15, 2021. JRS is currently evaluating the impact of the adoption of this guidance on the financial statements.

Subsequent events: Subsequent events have been evaluated through May 11, 2022, which was the date 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, 2021, the following financial assets are available to meet annual operating needs of the 2022 fiscal year:

Cash	\$ 1,488,619
Investments	11,186,598
Accounts receivable	105,932
Promises to give, net	285,170
Total financial assets	13,066,319
Less donor purpose restrictions	(2,560,879)
Less board-designated operating reserve	(4,475,000)
Available to meet general expenditures within one year	\$ 6,030,440

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

Note 3. Investments

Investments consist of the following at December 31, 2021:

Mutual funds	<u><u>\$ 11,186,598</u></u>
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Investment income, net for the year ended December 31, 2021, is as follows:

Unrealized and realized gains, net	\$ 1,088,866
Interest and dividends	122,873
	<u><u>\$ 1,211,739</u></u>

Note 4. Property and Equipment

Property, equipment and accumulated depreciation at December 31, 2021, and depreciation and amortization expense for the year ended December 31, 2021, are as follows:

	Cost	Accumulated Depreciation	Net	Depreciation and Amortization
Office equipment	\$ 25,496	\$ 25,496	\$ -	\$ -
Leasehold improvements	226,815	69,863	156,952	18,503
Software and website	124,691	102,356	22,335	32,468
	<u><u>\$ 377,002</u></u>	<u><u>\$ 197,715</u></u>	<u><u>\$ 179,287</u></u>	<u><u>\$ 50,971</u></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, 2021. There were no liabilities subject to fair value measurement at December 31, 2021.

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, 2021, measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
Mutual funds:				
Money market	\$ 1,470,659	\$ 1,470,659	\$ -	\$ -
Short-term bond (U.S.)	3,179,053	3,179,053	-	-
Foreign large blend (Non-U.S.)	780,108	780,108	-	-
Large blend (U.S.)	5,756,778	5,756,778	-	-
	<u>\$ 11,186,598</u>	<u>\$ 11,186,598</u>	<u>\$ -</u>	<u>\$ -</u>

JRS's mutual funds 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, 2021, consist of the following:

	Balance December 31, 2020	Additions	Transferred	Released	Balance December 31, 2021
Time restricted:					
Global Education Initiative	\$ 39,901	\$ -	\$ (30,000)	\$ (9,901)	\$ -
Other promises to give	306,201	285,170	(119,755)	(186,446)	285,170
Purpose restricted:					
Fund for the future—Jesuit Missions	1,500,000	-	-	-	1,500,000
Education and Livelihood Fund	-	1,240,738	164,838	(1,244,699)	160,877
Global Education Initiative	26,437	-	(26,437)	-	-
JRS International	467,046	2,177,422	11,354	(1,986,705)	669,117
Psychosocial Fund	-	2,000	-	-	2,000
Reconciliation Fund	-	262	-	-	262
Emergency Fund	-	1,230	-	(230)	1,000
Border Fund	-	309,727	94,845	(176,949)	227,623
Domestic Fund	94,845	-	(94,845)	-	-
	<u>\$ 2,434,430</u>	<u>\$ 4,016,549</u>	<u>\$ -</u>	<u>\$ (3,604,930)</u>	<u>\$ 2,846,049</u>

Jesuit Refugee Service/USA, Inc.

Notes to Financial Statements

Note 7. 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:

Years ending December 31:	
2022	\$ 223,041
2023	230,851
2024	238,929
2025	247,293
2026	255,945
Thereafter	993,821
	<u>\$ 2,189,880</u>

Rent expense was \$219,912 in 2021.

Note 8. 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, 2021, JRS contributed amounts equal to 8% of employees' base salaries, which totaled \$127,191.

Note 9. 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 that originated 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 10. Conditional Promises to Give from Donors

JRS has conditional promises to give from grantors totaling \$12,896,797 as of December 31, 2021. 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.