

Jesuit Refugee Service/USA, Inc.

Financial Report
December 31, 2024

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Independent Auditor's Report

Board of Directors
Jesuit Refugee Service/USA, Inc.

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of Jesuit Refugee Service/USA, Inc. (JRS), which comprise the statement of financial position as of December 31, 2024, 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 JRS as of December 31, 2024, 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 available to be issued.

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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, 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 30, 2025, 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.
September 30, 2025

Jesuit Refugee Service/USA, Inc.

Statement of Financial Position

December 31, 2024

(With Comparative Financial Information as of December 31, 2023)

	2024	2023
Assets		
Cash	\$ 2,327,162	\$ 1,929,560
Investments	10,641,315	10,860,325
Grant and accounts receivable	321,106	351,728
Promises to give	355,397	656,906
Prepaid expenses	200,735	255,308
Advances to subgrantees	2,628,344	1,693,155
Property and equipment, net	102,095	126,471
Right-of-use operating lease asset, net	1,264,372	1,477,664
Total assets	\$ 17,840,526	\$ 17,351,117
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 673,606	\$ 264,682
Deferred revenue	-	30,000
Refundable advances	2,821,657	1,870,972
Operating lease liabilities, net	1,429,551	1,642,748
Total liabilities	4,924,814	3,808,402
Commitment and contingency (Note 9)		
Net assets:		
Without donor restrictions:		
Undesignated	4,035,717	3,272,636
Board-designated	4,475,000	4,475,000
	8,510,717	7,747,636
With donor restrictions	4,404,995	5,795,079
Total net assets	12,915,712	13,542,715
Total liabilities and net assets	\$ 17,840,526	\$ 17,351,117

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Statement of Activities

Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023
Support and revenue:				
Federal grants	\$ 21,920,278	\$ -	\$ 21,920,278	\$ 22,747,875
Contributions	4,422,407	2,955,808	7,378,215	8,921,424
Federal contract—Department of Homeland Security	1,332,927	-	1,332,927	1,301,164
Contributions of nonfinancial assets	118,650	-	118,650	154,561
Investment income, net	1,675,375	-	1,675,375	1,623,350
Province subsidies	237,498	-	237,498	300,000
Other	3,108	-	3,108	2,998
Net assets released from restrictions	4,345,892	(4,345,892)	-	-
Total support and revenue	34,056,135	(1,390,084)	32,666,051	35,051,372
Expenses:				
Program services:				
JRS International	27,428,562	-	27,428,562	28,172,812
Chaplaincy	1,158,993	-	1,158,993	1,084,214
U.S. Border Program	959,579	-	959,579	685,367
Policy and outreach	432,989	-	432,989	396,163
Communication	744,107	-	744,107	567,683
Total program services	30,724,230	-	30,724,230	30,906,239
Supporting services:				
Management and general	1,189,307	-	1,189,307	850,423
Fundraising	1,379,517	-	1,379,517	1,223,627
Total supporting services	2,568,824	-	2,568,824	2,074,050
Total expenses	33,293,054	-	33,293,054	32,980,289
Change in net assets	763,081	(1,390,084)	(627,003)	2,071,083
Net assets:				
Beginning	7,747,636	5,795,079	13,542,715	11,471,632
Ending	<u>\$ 8,510,717</u>	<u>\$ 4,404,995</u>	<u>\$ 12,915,712</u>	<u>\$ 13,542,715</u>

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Statement of Functional Expenses

Year Ended December 31, 2024

(With Summarized Comparative Financial Information for the Year Ended December 31, 2023)

	2024											2023
	Program Services						Supporting Services					
	JRS International	Chaplaincy	U.S. Border Program	Policy and Outreach	Communication	Total	Management and General	Fundraising	Total	Total		
JRS International Grants	\$ 25,708,028	\$ -	\$ -	\$ -	\$ -	\$ 25,708,028	\$ -	\$ -	\$ -	\$ 25,708,028	\$ 26,608,085	
Domestic grants	-	-	51,307	-	-	51,307	-	-	-	51,307	29,433	
Salaries	931,905	552,297	520,593	241,440	317,344	2,563,579	674,020	750,120	1,424,140	3,987,719	3,347,579	
Employee benefits	274,686	303,601	168,897	60,533	88,716	896,433	189,303	224,988	414,291	1,310,724	1,110,695	
Professional services	295,141	175,688	76,995	22,715	238,720	809,259	153,174	89,493	242,667	1,051,926	748,111	
Occupancy	74,413	-	11,226	21,183	25,398	132,220	55,175	62,855	118,030	250,250	107,360	
Travel and meetings	76,542	24,938	26,010	24,662	6,919	159,071	44,597	79,483	124,080	283,151	337,101	
Office expenses	55,085	28,367	56,953	59,394	62,985	262,784	19,511	122,762	142,273	405,057	372,335	
Contributions of nonfinancial services and goods	-	29,488	44,263	-	-	73,751	44,899	-	44,899	118,650	154,561	
Religious materials	-	40,733	-	-	-	40,733	-	-	-	40,733	46,794	
Bank charges	5,486	2,696	2,540	1,179	1,549	13,450	3,290	43,971	47,261	60,711	66,827	
Depreciation and amortization	7,276	844	795	1,883	2,476	13,274	5,258	5,844	11,102	24,376	26,408	
Other expense	-	341	-	-	-	341	80	1	81	422	25,000	
Total expenses	\$ 27,428,562	\$ 1,158,993	\$ 959,579	\$ 432,989	\$ 744,107	\$ 30,724,230	\$ 1,189,307	\$ 1,379,517	\$ 2,568,824	\$ 33,293,054	\$ 32,980,289	

See notes to financial statements.

Jesuit Refugee Service/USA, Inc.

Statement of Cash Flows

Year Ended December 31, 2024

(With Comparative Financial Information for the Year Ended December 31, 2023)

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (627,003)	\$ 2,071,083
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Unrealized and realized gains on investments	(1,278,671)	(1,319,421)
Depreciation and amortization	24,376	26,408
Amortization of right-of-use operating lease asset	213,292	71,231
Changes in assets and liabilities:		
(Increase) decrease in:		
Grant and accounts receivable	30,622	(72,600)
Promises to give	301,509	(383,574)
Prepaid expenses	54,573	(127,494)
Advances to subgrantees	(935,189)	(465,148)
Increase (decrease) in:		
Accounts payable and accrued expenses	408,924	(567)
Deferred revenue	(30,000)	-
Refundable advances	950,685	514,938
Operating lease liabilities	(213,197)	(202,547)
Net cash (used in) provided by operating activities	(1,100,079)	112,309
Cash flows from investing activities:		
Purchase of investments	(1,058,420)	(1,503,920)
Proceeds from sale of investments	2,556,101	1,700,000
Net cash provided by investing activities	1,497,681	196,080
Net increase in cash	397,602	308,389
Cash:		
Beginning	1,929,560	1,621,171
Ending	<u>\$ 2,327,162</u>	<u>\$ 1,929,560</u>
Supplemental disclosure of cash flow information related to leases is as follows:		
Operating cash outflows—payments on operating lease	<u>\$ 238,929</u>	<u>\$ 230,851</u>

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:

JRS International: JRS received several cooperative agreements from the Department of State for education, training and community development in seven JRS International regions: Southern Africa, Eastern Africa, West Africa, Latin America and the Caribbean, South Asia, Asia Pacific and Middle East and North Africa. International program funding includes both unrestricted and restricted contributions. Revenue related to this program is included in the federal grants total on the statement of activities as well as in unrestricted and restricted private contributions, and expenses are included in the JRS International total on the statement of functional expenses.

Chaplaincy: 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.

U.S. Border Program: JRS sponsors a bi-national program at the border of the United States and Mexico in El Paso, Texas, and Ciudad Juarez, Mexico, in collaboration with JRS Mexico. JRS staff provide Mental Health and Psychosocial Support and legal advice to asylum-seekers in El Paso and Ciudad Juarez. The program also includes mobilizing a network of volunteers across the U.S. who provide a local welcome, and help with the process of integrating asylum-seekers into new communities when they arrive in their destination cities in the U.S. The revenue for this program comes from contributions reported on the statement of activities, and expenses are included in the U.S. Border Program 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 2024, JRS had a board designated operating reserve of \$4,475,000.

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

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

Investments: All investments in mutual funds 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, net. Investment advisor and trading fees related to the portfolio are presented within investment income, net.

Grants and accounts receivable: JRS offsets gross contract and grant receivables with an allowance for credit losses. The allowance for credit losses is JRS's best estimate of the amount of probable credit losses in JRS's existing accounts receivable, and is based upon historical loss patterns, the number of days that billings are past due and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Provisions for allowances for credit losses are recorded in general and administrative expense. No interest is charged on past due receivables. There was no allowance for credit losses at December 31, 2024.

Estimating credit losses based on risk characteristics requires significant judgment by JRS. Significant judgments include, but are not limited to, assessing current economic conditions and the extent to which they would be relevant to the existing characteristics of JRS's financial assets, the estimated life of financial assets and the level of reliance on historical experience in light of economic conditions. JRS reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business and the estimated life of its financial assets.

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. There were no long-term promises to give as of December 31, 2024, that required a discount. 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, 2024.

Advances to JRS subgrantees: JRS advances U.S. government pass-through funds to subrecipients based on forecasted budgets. Actual expenditures are reconciled throughout the year, and any unspent balances at year-end are reported on the statement of financial position as advances to JRS subgrantees.

Property and equipment: Property and equipment is 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.

Notes to Financial Statements

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

Refundable advances: JRS requests cash advances from the U.S. Government to fund program activities. These funds are either disbursed to subgrantees or retained for JRS's direct expenditures. As program costs are incurred, the refundable advance liability is reduced. The remaining balance reflects unspent or unliquidated funds subject to return under the U.S. Government's right of return.

Leases: JRS determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. JRS also considers whether its service arrangements include the right to control the use of an asset.

JRS recognizes most leases on its statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statement of activities.

JRS made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives received. To determine the present value of lease payments, JRS made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

JRS has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate and equipment asset classes. The non-lease components typically represent additional services transferred to JRS, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

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, 2024, contributions totaling \$398,446 were received from members of the Board of Directors.

Notes to Financial Statements

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

JRS receives grants from federal agencies for various purposes. Federal grants meet the criteria of conditional awards (containing both a barrier and a right of return) and are typically recognized as revenue as qualifying expenditures are incurred assuming no other barriers are still in place. 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 records conditional revenue to net assets without donor restrictions if at the time conditions have been satisfied no time and/or purpose restrictions remain to be satisfied.

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 grants and accounts receivable on the statement of financial position is \$231,972 at December 31, 2024, \$211,291 at December 31, 2023, and \$104,831 at December 31, 2022. There were no deferred revenue amounts as of December 31, 2024.

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.

Contributions of nonfinancial assets: JRS receives contributions of goods and services from businesses and other organizations toward the fulfillment of program objectives and general operations. Those services and products, which are objectively measurable, have been included in both revenue and the related functional expense categories, and are recorded as contributions at the fair value at the date of donation. The goods and services are not monetized and used in the normal course of business as provided.

Functional expenses: The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, personnel costs are directly allocated to programs and supporting services based on actual time spent on each function. Certain joint costs, such as occupancy and related charges, general insurance, subscriptions and audit fees, are allocated using estimates of time and effort for each of the programs and functions. Other non-personnel costs are allocated based on direct charges. Costs not directly identifiable with any specific function, but that provide for the overall support and direction of JRS are reported as management and general expenses, and are unallocated on the statement of activities.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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.

Notes to Financial Statements

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

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 2023 footnote information, a breakout of donor restricted activities in the statement of activities for 2023 and a 2023 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, 2023, from which the summarized information was derived.

Subsequent events: JRS has evaluated subsequent events through September 30, 2025, the date on which the financial statements were available to be issued. See Note 9 and 12 for a discussion of subsequent events.

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, 2024, the following financial assets are available to meet annual operating needs of the 2025 fiscal year:

Cash	\$ 2,327,162
Investments	10,641,315
Grant and accounts receivable	321,106
Promises to give, net	355,397
Total financial assets	13,644,980
Less donor purpose restrictions	(4,404,995)
Less board-designated operating reserve	(4,475,000)
Available to meet general expenditures within one year	<u>\$ 4,764,985</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

Note 3. Investments

Investments consist of the following at December 31, 2024:

Money market	\$ 260,973
Mutual funds	10,380,342
	<u>\$ 10,641,315</u>

Investment income, net for the year ended December 31, 2024, is as follows:

Unrealized and realized gains, net	\$ 1,278,671
Interest and dividends	396,704
	<u>\$ 1,675,375</u>

Note 4. Property and Equipment

Property, equipment and accumulated depreciation at December 31, 2024, and depreciation and amortization expense for the year ended December 31, 2024, are as follows:

	Cost	Accumulated Depreciation	Net	Depreciation and Amortization
Office equipment	\$ 25,496	\$ (25,496)	\$ -	\$ -
Leasehold improvements	192,000	(89,905)	102,095	18,285
Software and website	124,691	(124,691)	-	6,091
	<u>\$ 342,187</u>	<u>\$ (240,092)</u>	<u>\$ 102,095</u>	<u>\$ 24,376</u>

Note 5. Fair Value Measurements

The FASB's authoritative guidance on fair value measurements establishes a framework for measuring fair value and expands disclosure about fair value measurements. This guidance enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Under this guidance, assets and liabilities carried at fair value must be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are 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 measured and reported on a fair value basis. 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, 2024. There were no liabilities subject to fair value measurement at December 31, 2024.

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, 2024, measured at fair value on a recurring basis by level within the hierarchy:

	Total	Level 1	Level 2	Level 3
Money market funds:				
Money market	\$ 260,973	\$ 260,973	\$ -	\$ -
Mutual funds:				
Domestic large blend	6,456,981	6,456,981	-	-
Foreign large blend	1,226,823	1,226,823	-	-
Short-term domestic bond	2,696,538	2,696,538	-	-
	<u>\$ 10,641,315</u>	<u>\$ 10,641,315</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2024, consist of the following:

	Balance December 31, 2023	Additions	Transferred	Released	Balance December 31, 2024
Time restricted:					
Promises to give	\$ 656,906	\$ -	\$ (374,300)	\$ (282,606)	\$ -
Purpose restricted:					
Fund for the future—Jesuit Missions	1,500,000	-	-	-	1,500,000
Education and Livelihood Fund	181,339	788,678	-	(1,014,316)	(44,299)
Migrant/Refugee Relief Efforts (for specific international locations)	2,209,755	2,028,450	138,408	(2,442,038)	1,934,575
Psychosocial Fund	960,560	1,444	235,856	(283,783)	914,077
Emergency Fund	1,920	-	-	(1,920)	-
Advocacy Fund	196,277	960	-	(161,088)	36,149
Border Fund	88,322	136,276	36	(160,141)	64,493
	<u>\$ 5,795,079</u>	<u>\$ 2,955,808</u>	<u>\$ -</u>	<u>\$ (4,345,892)</u>	<u>\$ 4,404,995</u>

Note 7. Lease

JRS entered into a 10-year noncancellable 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 lease provides free rent and lease incentive for the first 11 months of rent totaling \$95,700.

Operating lease cost is recognized on a straight-line basis over the lease term. JRS calculated the present value of each lease over the term of the respective lease, using the risk-free rate on the adoption date of ASC 842 based on the remaining lease term. Total operating lease costs including all amortization and other fees was \$250,250 in 2024.

Jesuit Refugee Service/USA, Inc.

Notes to Financial Statements

Note 7. Lease (Continued)

The weighted-average discount rate was 1.63%. The remaining weighted-average lease term as of December 31, 2024, is 5.6 years.

Future undiscounted cash flows for each of the next five years and thereafter, and a reconciliation to the lease liabilities recognized on the statement of financial position, are as follows as of December 31, 2024.

Years ending December 31:

2025	\$ 247,293
2026	255,945
2027	264,907
2028	274,170
2029	283,766
Thereafter	172,732
Total minimum payments required	1,498,813
Less amounts representing interest	(69,262)
Present value of the minimum lease payment	<u>\$ 1,429,551</u>
Right-of-use operating lease assets (including amortization of right-of-use assets of \$213,292 in 2024)	<u>\$ 1,264,372</u>

Note 8. Retirement Plan

JRS has a 401(k) retirement plan (the Plan). Full-time employees who have completed at least one continuous year of service with JRS, and all part-time employees, 21 years or older, who have acquired at least 1,000 hours of service within a 12-month period, are eligible to receive employer safe harbor contributions of 4%. JRS makes additional 4% discretionary profit sharing contribution to the Plan each year for 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. For the year ended December 31, 2024, JRS contributed \$217,818 to the Plan.

Note 9. Commitment and Contingency

Employment contract: Subsequent to year end, JRS entered into an employment agreement with its President, which expires in May 2027. In the event of termination, JRS may be required to pay severance totaling a maximum of six months of the annual salary.

Federal awards: 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.

Note 10. Conditional Promises to Give From Donors

JRS has conditional promises to give from grantors totaling \$12,821,680 as of December 31, 2024. These represent grants from the U.S. government. Future revenue recognition is contingent upon JRS carrying out certain activities (meeting donor-imposed barriers) stipulated by the grant or contract. In addition to this, refundable grant advances that will be recognized when conditions are satisfied total approximately \$5,500,000, at December 31, 2024.

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Notes to Financial Statements

Note 11. Contributions of Nonfinancial Assets

JRS receives contributions of services from other organizations and individuals towards the fulfillment of program objectives and general operations. Services recognized are performed by individuals that have specialized knowledge, skills and expertise based on prior experience or tenure. The legal services provided are valued based on the fair value of the services received based on the local market where such services are provided. The pastoral services value is reduced by any stipends paid. During the year ended December 31, 2024, none of the services were monetized and there were no donor-imposed restrictions.

JRS recognized total contributions of nonfinancial assets revenue of \$118,650, with a corresponding expense recorded during the year ended December 31, 2024. The amount received can be broken down into the following categories:

Legal	\$ 44,899
Pastoral	73,751
	<u>\$ 118,650</u>

Note 12. Subsequent Event

Beginning in January 2025, President Donald Trump signed several executive orders (EOs) ordering the pause or termination of federal assistance programs that do not align with the new administration's policies. The Administration tasked federal departments with evaluating all federal programs they administer, to determine if the funding being provided falls under any of the EOs. During the year ended December 31, 2024, JRS recognized federal financial assistance totaling approximately \$21.9 million, of which \$20.7 million was provided to subrecipients. All amounts were entirely collected as of December 31, 2024. During the first two quarters of fiscal year 2025, JRS received communications from its federal funding agencies indicating all its grants with approximately \$12.8 million in future federal funding as of December 31, 2024, had been terminated. One federal grant was reinstated for an amount of approximately \$1.2 million that concluded in August 2025. Another federal grant was reinstated at a reduced funding level and extended by 75 days, concluding in November 2025 for approximately \$3.1 million.

The loss of funding while material to JRS's financial statements was passed through to subrecipients and therefore is not expected to have a significant impact on JRS's results of operations. Given continued uncertainty surrounding future federal funding actions, management is actively monitoring the situation and will continue to assess the potential effect, if any, on JRS's financial statements.