

INDEPENDENT AUDITOR'S REPORT

To the Administrative Council of
Fondazione Pia Autonoma Servizio dei Gesuiti per i Rifugiati - JRS

Opinion

We have audited the financial statements of Fondazione Pia Autonoma Servizio dei Gesuiti per i Rifugiati - JRS (the Foundation), which comprise the statement of financial position as at December 31, 2019 and the income statements for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at December 31, 2019, and its financial performance for the year then ended in accordance with the accounting policies independently defined by JRS.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). 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 independent of the Foundation in accordance with ethical and independence regulations and standards applicable in the Italian legal system for audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

This report is issued without legal obligations. As a result, the financial statements may not be suitable for another individuals or other purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the regulations governing its preparation and illustrated into the notes and, in the terms established by law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

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 a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

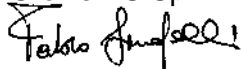
As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as requested by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rome, June 24th 2020

Crowe AS SpA



Fabio Sardelli
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.

**Financial Statements at the end of
31 December 2019**

**Fondazione Pia Autonoma
Jesuit Refugee Service
International Office, Rome**



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JRS Finance Director

Approved by:

Fr. Thomas H. Smolich S.J.
JRS International Director &
Legal Representative

DISTRIBUTION:

JRS International Administrative Council
Donors



1. Introduction: Organizational Information

The Management has the pleasure to present its report of the audited financial statements for the year ended 31 December 2019.

BACKGROUND INFORMATION ON JRS

JRS is a globally recognized non-governmental organization, legally structured as a foundation, founded on November 14, 1980 by Fr Pedro Arrupe SJ, Superior General of the Jesuits at the time. The mission of JRS is to accompany, serve and advocate on behalf of refugees and other forcibly displaced persons. The Jesuit Refugee Service programmes are found in more than 50 countries, organized in nine regions (three in Africa, two in Asia, Middle East and North Africa, USA & North America, Latin America, and Europe). JRS provides assistance to over 780,000 refugees and internally displaced persons including refugees in camps and cities, individuals displaced within their own countries, asylum seekers in cities, and those held in detention centres. The main areas of work are in the field of education, emergency assistance, psychosocial support, livelihood activities and social services.

INDEPENDENT AUDITORS

Crowe AS S.p.A., Member Crowe International, were appointed as auditors for the triennium 2018-2020.

By order of the Management

19 June 2020

The Management is required to prepare financial statements and operating results that give a true and fair view of the state of affairs of Jesuit Refugee Service - International Office (JRS) as at the end of each fiscal year.

The Management should ensure that the foundation maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the foundation. The Management is also responsible for safeguarding the assets of the foundation.

The Management accepts responsibility for the financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates in conformity with the accounting policies adopted by the organization.

The Management is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the foundation and of its operating results. The Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

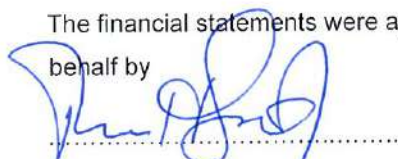
The Management has reviewed the foundation's cash flow forecast for the year to 31 December 2020 and, in the light of this review and the current financial position, is satisfied that the organization has access to adequate resources to continue in operational existence for at least the next twelve months from the date of this statement.

2. Statement of Financial position as of 31 December 2019

In Euro	Notes	2019	2018
Assets			
Property and equipment	6.3	23,796	42,421
Current Assets			
Cash		5,548	4,463
Bank	6.4	1,399,322	914,316
Investments	6.5	7,518,560	7,566,839
Receivables and prepaid expenses	6.6	1,156,736	691,783
Total Assets		10,080,166	9,177,401
Current Liabilities			
Payables and Year End Accruals	6.7	(3,328,728)	(2,959,070)
Current Net Assets		6,751,438	6,218,331
Long Term Liabilities			
Provisions: Staff	6.8	(158,732)	(128,024)
Net Assets		6,616,504	6,132,728
Financed by			
JRS Designated Funds	6.9	291,785	591,163
JRS Reserves		6,324,719	5,541,565
Total Funds		6,616,504	6,132,728

The Balance Sheet should be read in conjunction with the notes contained in section 6.

The financial statements were approved by the Management on _____ and signed on its behalf by



International Director



International Finance Director

3. Statement of Income & Expenses for the year ended 31 December 2019

In Euro

Income	Notes	2019	2018
Donations & Grants	6.10	3,176,790	2,514,545
Indirect Cost contribution		216,117	136,874
Interest earned on Investments		-	1,153
Bank & Other Income		16,973	15,578
Unrealized Investment & Foreign Exchange Gain		1,455,914	589,860
Total Income		<u>4,865,794</u>	<u>3,258,010</u>
Expenses			
Staff		1,563,104	1,493,632
Travels		177,122	143,187
Publications		-	25,249
Websites & Network Support		238,013	241,891
Office Support		204,901	139,863
Trainings		132,748	122,164
Philanthropy		60,117	60,699
Seminars/Meetings		136,616	110,435
Unrealized Foreign Exchange/Investment Loss		229,333	872,164
Assets Additions		21,753	20,970
Specific IO projects		1,318,933	620,911
Contingency/Year End Adjustment		-	2,654
Total Expenses	6.11	<u>4,082,640</u>	<u>3,853,819</u>
Total Surplus/(Deficit) for the year		783,154	(595,809)

The Income & Expense statement should be read in conjunction with the notes contained in section 6.

4. Cash Flow Statement for year ended 31 December 2019

In Euro

	31/12/2019	31/12/2018
Operational Activities		
Surplus / (Deficit) for the year	783,154	(505,809)
Non-cash dividends in kind		
Depreciation, write-down provisions and value adjustments	21,753	20,970
Risk Fund		
Variation on Staff Liquidation funds	30,708	46,347
Change in deferred / prepaid taxes		
<u>Change in working capital:</u>		
- Leftovers		
- Receivables	(464,953)	(181,886)
- Payables	369,658	113,111
Cash flow: Operational Activities	740,320	(597,267)
Investments Activities		
Net Investments in Immaterial assets		
Net Investments in Material assets	(3,129)	(8,931)
Net change in financial receivables, stocks and other funds' Investments	48,279	2,042,535
Cash flow: Investment Activities	45,150	2,033,604
Financing Activities		
Increase (reduction) in Capital Fund	(299,379)	(1,050,845)
Dividends		
Net change in non-current financial debts		
Net change in current financial debts (*)		
Cash flow: Financing Activities	(299,379)	(1,050,845)
Net cash flow for the period	486,091	385,492
Net initial Cash and Cash Equivalent	918,779	533,287
Change	486,091	385,492
Net Final Cash and Cash Equivalent	1,404,870	918,779
Composition of net liquid assets:		
Cash on hand	5,548	4,463
Bank	1,399,322	914,316
Net final liquid assets	1,404,870	918,779

*cash flow from financing activities excludes changes in cash and cash equivalents, including short-term payables to banks.

5. Analysis: Movements of Investments for year ended 31 December 2019

In Euro	2019	2018
Purchases	-	-
Sale Proceeds on Disposal of Investments	(1,278,234)	(1,814,981)
Unrealised gains	-	-
Unrealised exchange gains (loss)	1,229,955	115,514
Unrealised exchange loss	-	(343,067)
Net increase/(decrease)	(48,279)	(2,042,534)
Amount of investments at beginning of year	7,566,839	9,609,373
Amount of investments at end of year	7,518,560	7,566,839

6 Notes to the Accounts

6.1 Explanation of JRS International Activities

The Jesuit Refugee Service programmes are found in more than 50 countries, divided in nine Regions (three in Africa, two in Asia, Middle East and North Africa, USA & North America, Latin America, Europe). JRS provides assistance to over 780,000 refugees and internally displaced persons including refugees in camps and cities, individuals displaced within their own countries, asylum seekers in cities, and those held in detention centres.

The International headquarters for JRS is located in Rome and provides valuable support to JRS regions in terms of logistics, personnel, finances and projects, and especially with fund-raising activities for the projects implemented by the Regions. Although JRS is one organisation, each region is financially autonomous.

The projects of JRS International referred to in these financial statements are the major departments and some projects directly co-ordinated by the International Office. These are:

V00 – JRS Capital fund

V01 – Direction, Secretariat and Administration

V02 – Human Resources department

V03 – Finance and Logistics Management department

V04 – Programmes and innovation department

V09 – Communications and advocacy, philanthropy, and development department

V19 – International Office Project Support Funds

V21 – Special Funds: Income raised for and seed funding provided for

a) Women's projects fund

b) IDG Fund (derived from different private donations received from a group of donor volunteers)

c) Global Education and Teacher Training Fund (Anonymous donor)

6.2 Accounting Policies

The following is a summary of the significant accounting policies used:

1. **Basis of Accounting:** Accrual basis of accounting; under this basis of accounting revenue is recognized when earned and expenses when incurred.
2. **Donations:** JRS International policy recognises different categories of donations:
 - *Donations for a particular project* are categorised as “designated” and are reported both on a project and donor basis. These projects prepare annual proposals and the donor funds are to be spent in accordance with the project proposal.
 - *Donations for a particular cause* are also categorised as designated, but expenditure is not reported on a donor basis. JRS International determines what particular projects these funds will be applied against. However, the project must be connected with the purpose of the particular fund.
 - *Donations which are entirely discretionary* are not designated and JRS International is entitled to determine what projects the funds are applied against.
 - *Donations to be allocated to the regions* are discretionary monies from major and small donors received during the year by the JRS International Office. These must be allocated to specific JRS projects in the regions. Based on the accrual principle, these donations are not recorded as income but as payable to the different regional offices.
3. **Revenue recognition:** Foreign currency donations are recorded at the average exchange rate ruling in the period in which they are received. Designated donations are spent specifically on the projects for which they are allocated. Surplus / deficits for the year remain in the designated fund.
4. **Property and Equipment:** Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. All categories of property and equipment are registered in the year of purchase. Property and equipment received by way of gifts or donations are capitalized at a reasonable estimate of their value to the project. The corresponding credit is taken to the capital fund. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the reducing balance method. The annual rate used for all asset categories is 25%. Depreciation is charged to the Capital Fund. No depreciation is charged in year of acquisition or year of disposal. If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations. On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognized in the statement of comprehensive income.
5. **Receivables:** Receivables are recognized initially at fair value. A provision for impairment of receivables is established when there is objective evidence from a loss event that the organization will not be able to collect all the amounts due according to the original terms of receivables.
6. **Payables:** Payables are non-interest bearing financial liabilities, which are measured at the fair or contractual value of the consideration to be paid in future in respect of goods and services supplied by the suppliers, whether billed to the organization or not, less any payments made to the suppliers.
7. **Bank Accounts:** JRS International has ten bank accounts in its own name with banking institutions in Italy and in the Vatican State, and one at Poste Italiane.

8. **Correspondent Accounts:** The International Office maintains two types of Correspondent Accounts:

- Accounts maintained at the Curia of the Society of Jesus (named *Economato* accounts) and those maintained at different Jesuit Mission Offices. Statements are received regularly from these offices.
- Accounts maintained at JRS International for various JRS Regional and Country Offices. The International Office receives donations and undertakes expenditure on behalf of various JRS Regional and Country Offices. These transactions are recorded in individual Correspondent Accounts. Statements are sent regularly to the relevant JRS offices informing them of the transactions.

9. **Foreign Currency:**

- Transactions denominated in foreign currencies are converted into Euro, which is JRS International's functional and reporting currency, using the rate for the week in which the funds were received when these rates are available; otherwise, the previous week's rates are used.
- At year end, Cash and Cash Equivalent denominated in foreign currencies are re-valued using a specific exchange rate calculated at 31st December. Exchange differences arising from the revaluation are accounted for as income and expense for the year.

Exchange rates used:

Currency	31/12/2019 Exchange Rate	31/12/2018 Exchange Rate
1 Euro: CHF	1.0854	1.1269
1 Euro: GBP	0.8508	0.8945
1 Euro: USD	1.1234	1.1212

10. **Cash and cash equivalents:** Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

11. **Critical judgments and accounting estimates:** In the process of applying the organization's accounting policies, Management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgment in applying the entity's accounting policies are dealt with as follows:

- Valuation of fair value of financial instruments
- Determining depreciation rates for property and equipment.

6.3 Fixed Assets

In 2016 JRS started recognizing its own Capital Fund. The movements of this fund are reported in the table below:

	Equipment	Furniture	Other assets	Total
Opening Balance 2020				
Historical Cost	32,808	17,530	33,544	83,882
Accumulated Depreciation	(16,339)	(8,016)	(17,105)	(41,461)
Net Value	16,469	9,514	16,439	42,421
Changes during the year				
Increase	3,129	-	-	3,129
Decrease	-	-	-	-
Depreciation for the year	(8,651)	(4,383)	(8,719)	(21,753)
Total	(5,522)	(4,383)	(8,719)	(18,624)
Closing Balance 2020				
Historical Cost	35,937	17,530	33,544	87,011
Accumulated Depreciation	(24,990)	(12,399)	(25,825)	(63,214)
Net Value	10,947	5,131	7,719	23,798

Note on Fixed Assets

- Equipment: includes computers, copier machines and other office machines.
- Furniture: investments in new desks, office chairs, meeting tables, etc.
- Addition to Buildings: The Jesuit Curia provides in-kind support of office space and allows JRS to use the office at Borgo Santo Spirito, 8 (see paragraph 6.12 for more details). During 2017, JRS' office space was renovated for compliance with local safety and building codes and for modernization of systems and spaces. In 2018 a small investment to strengthen the internet connection was made. These projects increased the value of the office space; therefore, the cost of the work has been capitalized over four years.

6.4 Bank Balances

The amounts held at 31 December 2019 were represented by:

Name of Bank	Account Type	Interest Rate	Source Currency	Amount in Source Currency	Euro
Banca Popolare di Sondrio 3410 – Euro	Current	0,00%	Euro	96,693	96,693
Banca Popolare di Sondrio VAR3410 – USD	Current	0,65%	USD	602,261	536,106
Banca Popolare di Sondrio 5273 – Euro	Current	0,00%	Euro	9,698	9,698
Che Banca! – 993 – Euro	Current	0,00%	Euro	225,804	225,804
Che Banca! – 387 – USD	Current	0,001%	USD	196	175
Che Banca! – 992 – Euro	Current	0,00%	Euro	461,920	461,920
Banca Etica	Current	0,00%	Euro	51,405	51,405
Istituto per le Opere di Religione - Euro	Current	0,00%	Euro	7.726	7.726
Istituto per le Opere di Religione - USD	Current	0,00%	USD	2,812	2,503
Carta Chiara 3069	Current	0,000%	Euro	248	248
Carta +ma 5484	Current	0,00%	Euro	5,924	5,924
Carta +ma 5567	Current	0,00%	Euro	1,089	1,089
Poste Italiane	Current	0,00%	Euro	31	31
				Total in Euro	1,399,322

6.5 Investments

JRS International Office invests in different funds. Funds invested in bonds and other investments are reflected in the Balance Sheet at their current market value as at 31 December 2019. The investments are reduced of Euro 48,279, as net result of the withdrawals of the year to cover the liquidity needs of the office and the disbursement of funds to local offices, and the revaluation particularly favourable during the year.

All funds invested are classified as current assets and immediately available, even if JRS intends to hold its investments to maturity.

Fund	Beginning Balance	Additions withdrawals	Unrealized gains / (loss)	Ending Balance	% Year on Year
USD Investments	963,230	(373,474)	26,948	616,704	2.80%
Euro Investments	1,909,984	(554,760)	117,789	1,473,013	6.17%
Fondo Comune (c/o Jesuit Curia)	4,693,625	(350,000)	1,085,218	5,428,843	23.12%
Total amount in Euro Equivalent	7,566,839	(1,278,234)	1,229,955	7,518,560	

Note on Euro and USD Investments

Starting in 2012 JRS has invested in several funds represented in the table below:

- Investment at CHE BANCA!

Starting Date	Type	Currency	ISIN Code	Initial Investment	Unit Price	Initial amount invested	Value 31/12/2018	Value 31/12/2018	Value 31/12/2019	Value 31/12/2019	Difference
CHE BANCA INVESTIMENSI IN USD							USD	Euro Eq	USD	Euro Eq	Euro
04/08/2016	Franklin Templeton	USD	LU0170475312	30,005	26.92	807,743	893,794	605,934	694,052	616,704	10,770
11/02/2016	Franklin Templeton	USD	LU0170477797	15,124	23.19	350,726	409,104	357,296			- 357,296
	Total		Total USD				1,102,898	963,230	694,052	616,704	- 346,526

Starting Date	Type	Currency	ISIN Code	Initial Investment	Unit Price	Initial amount invested	Value 31/12/2018	Value 31/12/2018	Value 31/12/2019	Value 31/12/2019	Difference	
CHE BANCA INVESTIMENTS IN EURO							Euro	Euro	Euro	Euro	Euro	
04/08/2016	Templeton	EUR	LU0592650674	31,637	11.46	362,563	203,616	203,616	51,062	51,062	- 152,554	
04/08/2016	Amundi	EUR	LU0613077535	3,197	115.51	369,240	129,012	129,012			- 129,012	
04/08/2016	Fidelity	EUR	LU0718472250	26,780	10.63	284,667	149,334	149,334	52,924	52,924	- 96,410	
04/08/2018	Franklyn Templeton	EUR	LU1129997521	16,859	10.85	180,745	171,249	171,249	122,244	122,244	- 49,006	
04/08/2016	Fidelity Funds	EUR	LU1116430676	5,091	10.49	53,400	177,834	177,834	121,311	121,311	- 56,523	
	Total						831,045	831,045	347,541	347,541	- 483,505	
	Total Euro CHE BANCA!								1,784,275		964,245	- 830,030

- Investments at Banca Etica

Starting Date	Type	Currency	ISIN Code	Initial Investment	Unit Price	Initial amount invested	Value 31/12/2018	Value 31/12/2018	Value 31/12/2018	Value 31/12/2018	Difference	
BANCA ETICA INVESTIMENT IN EURO							USD	Euro Eq	Euro	Euro	Euro	
25/11/2016	Elica Obbligazionario Bre	EUR		158,404	6.21	984,003	995,253	995,253	1,041,942	1,041,942	46,688	
25/11/2016	Elica Obbligazionario Ms	EUR		12,814	7.80	99,888	83,685	83,685	83,671	83,671	- 14	
	Total Euro Banca Etica						1,078,938	1,078,938	1,125,613	1,125,613	46,675	
	Total Euro BANCA ETICA								1,078,938		1,125,613	46,675

- Investments at Curia Generalizia dei Gesuiti

The following chart shows how the fund has performed versus a benchmark, which reflects the asset combination within the fund:

30/11/19	Year to date	1 Year	3 Years	5 Years
MSJ Fund	+21.3%	+15,1%	+7,7%	+8,3%
Benchmark	+18.8%	+12.5%	+6,8%	+7,2%

6.6 Receivables

JRS receivables at 31/12/2019 are a total of Euro 1,156,736 and are detailed in the table below:

Correspondent Accounts with Society of Jesus Curia & Mission Offices	31/12/2019	31/12/2018	Delta
Economato - USD	15,823	26,382	(10,560)
Economato - Euro	174,097	3,205	170,892
Jesuit Mission, London	7,174	5,738	1,436
JRS Great Lakes Region	458,691	339,917	118,774
JRS Iraq	171,584	-	171,584
JRS Europe Region	-	7,199	(7,199)
HSBC Malta	2	26	(24)
Sub-total	827,371	382,467	444,904
Other Accounts			
Accruals and prepaid expenses	10,673	6,870	3,803
Voices of Faith Project	-	4,170	(4,170)
Accrued Donations	305,971	284,158	21,813
Other creditors	2,018	14,119	(12,101)
Staff receivables	1,692	-	1,692
Sub-Total	329,365	309,317	20,048
Totale Receivables	1,156,736	691,784	464,952

Note on receivables

As reported in note 6.2, the International Office maintains two types of correspondent accounts.

- Accounts maintained at the Curia of the Society of Jesus (named *Economato* accounts) and those maintained at different Jesuit Mission Offices: Statements are received regularly from these offices and represent a credit for JRS from the Company of Jesus. In 2017 JRS made several transfers from these accounts to JRS Regional Offices, which made a reduction in the balance at year end. In 2018 the Curia changed the agreements and requested the payment of some services offered to JRS, such as HR consultancies, IT support, use of IT tools, etc.
- Accounts maintained at JRS International for various JRS Regional and Country Offices: The International Office receives donations and undertakes expenditures on behalf of various JRS Regional and Country Offices. These transactions are recorded in individual Correspondent Accounts. Statements are sent regularly to the relevant JRS offices informing them of the transactions. The situation of JRS Great Lakes maintaining a significant debit vis-à-vis the International Office has been noted by Management.

Accrued Donations

The total amount of accrued donations of Euro 314,892 is represented in the table below:

Description	Currency	Amount in Source Currency	Exchange Rate	Euro Equivalent
Entreculturas Institutional Strengthening Support IS (2018)	Euro	45,000	1.00	45,000
Jesuit Province – UK (3 rd payment)	Euro	33,334	1.00	33,334
Xavier Network Strengthening Country Operations Support, 1 st payment 2019	Euro	98,862	1.00	98,862
Donation for projects in Lebanon (Jbeil)	USD	125,000	1.12	111,269
Entreculturas support for Meeting in Kenya	Euro	7,767	1.00	7,767
Ethiopia Reconciliation projects	Euro	9,739	1.00	9,739
Online donations	Euro	9,011	1.00	9,011
Total	Euro			314,892

Prepaid Expenses

The total amount of prepaid expenses of Euro 10,673 is represented in the table below:

Description	Currency	Source Currency	Exchange Rate	Euro Equivalent
Geneva Office Rent 2020	USD	7,415	1.11	6,670
Birches Group – Invoice n.126	USD	534	1.11	480
Safe call – Fees January – October 2020	Euro	3,023	1.00	3,023
ITC Computer Software January - February 2020	Euro	500	1.00	500
Total	Euro			10,673

Other Receivables

The total amount of other receivables is Euro 2,018; the total staff receivables of Euro 1,692 is composed of small advances disbursed to JRS Staff or JRS Field offices.

6.7 Payables

JRS receivables at 31/12/2019 are a total of Euro 3,328,728 and are detailed in the table below:

Correspondent Accounts	31/12/2019	31/12/2018	Delta
JRS Eastern Africa	242,154	460,794	218,640
JRS Jordan	144,103	272,092	127,988
JRS Syria	1,113,954	461,643	(652,311)
JRS Turkey	-	13,056	13,056
JRS Southern Africa	103,775	116,421	12,647
JRS West Africa	398,606	395,593	(3,012)
JRS Middle East and North Africa	238,611	29,304	(209,307)
JRS Latin America	225,004	27,767	(197,237)
JRS Europe	3,709	-	(3,709)
JRS Asia Pacific	34,337	195,977	161,640
JRS South Asia	191,056	364,673	173,616
JRS European Countries	3,248	5,160	1,912
JRS Iraq	-	49,121	49,121
JRS USA	898	13,101	12,203
Sub-total	2,699,455	2,404,702	(294,754)

Payables – Deferred Income	31/12/2019	31/12/2018	Delta
Other Country donations to pay (Haiti and S. Sudan)	7,014	3,798	(3,215)
Individuals/Foundations/Corporations	219,425	368,623	149,198
Deferred Income	138,731	-	(138,731)
Voices of Faith	44,442	0,00	(44,442)
Total	409,612	372,421	(37,191)

Other payables	31/12/2019	31/12/2018	Delta
Invoices to be received	216,901	179,926	(36,975)
Staff payables	2,760	2,021	(739)
Total	219,661	181,947	(37,714)
Total Payables	3,279,151	2,833,759	(445,392)

Note on payables

As reported in note 6.2 the International Office maintains correspondent accounts for various JRS Regional and Country Offices. The International Office receives donations and undertakes expenditures on behalf of various JRS Regional and Country Offices.

Payables – Deferred Income

- Other Country donations to pay (Haiti and S. Sudan)

In 2019 the IO ran a campaign for activities in South Sudan. At the end of 2019 a total of Euro 4,107 had been raised, and JRS IO will send this to the South Sudan Country Office at the end of the campaign. The remaining amount of Euro 2,907 refers to small donations received for Haiti for which JRS will consult local Jesuits to decide the destination of funds.

- *Individuals Foundations Corporations*

In 2018 JRS received a donation from the dissolution of the Inukai Foundation for a total amount of Euro 368,621. JRS IO allocated Euro 149,198 toward institutional strengthening activities in 2019. The rest of the funds will be allocated in 2020.

In 2019 JRS received Euro 19,425 from UNICEF, whose allocation is to be decided.

- *Deferred Income*

In 2019 JRS received an important donation from a benefactor for a total amount of USD 200,000. JRS IO allocated Euro 89,154 (approximately 50% of the amount received) to 2020 activities.

JRS has a three-year contract (2018-2020) with the GHR Foundation for Reconciliation and Peace Building activities. Of the funds received in the first two project years (2018 and 2019), USD 55,695 (equal to Euro 49,577) were carried forward to 2020 to conclude the activities.

- *Voices of Faith*

Voices of Faith it is a project for women's empowerment in the Catholic Church. JRS contributes to the project, but the costs are funded by the Fidel Goetz Foundation. JRS received a total amount of Euro 44,442 to be spent in 2020.

Year End Accruals

This heading consists of two subheadings

- Payables to personnel for an amount of Euro 2,760
- Payables to vendors for an amount of Euro 216,901.

6.8 Staff fund

These provisions are intended for staff with permanent contracts when they finish their term of employment with JRS International. The amount is approximately equivalent to a month's salary per year.

Provision Staff Fund in Euro	31/12/2018	Increase	Decrease	31/12/2019
Liquidation Fund – JRS Workers	91,023	43,635	(9,716)	124,942
Liquidation Fund – at Jesuit Curia	37,000	-	(3,210)	33,790
Liquidation Fund	128,023	43,635	(12,926)	158,732

6.9 Funds

Total JRS Fund is Euro 6,616,504 and it is reflected in the table below:

Code	Fund Description	2019	2018
V01-V00-A-3901	Capital Fund – Reserve	6,324,719	5,541,565
	Total Capital Fund	6,324,719	5,541,565
V01-V21-F-3901	Funds for Women	85,953	85,953
V01-V21-I-3901	IDG Education Fund	110,192	233,278
V01-V21-M-3901	Global education and teacher training fund	95,640	271,932
	Total Designated Funds	291,785	591,163
Total		6,616,504	6,257,728

Note on Special Funds:

The table above describe the up to date situation of *special funds* that have been built during the last 3 years of JRS IO activity:

o Capital Fund (V00):

Represents the reserves of the foundation, built since 2012. In 2019, thanks to the extremely positive investment trend with an average positive revaluation of 11%, JRS was able to restore some of the reserves it had invested in recent years in institution building activities

o Designated JRS Funds (V21)

- o V21-F Funds for women: a benefactor advanced **Euro 1,200,000** in 2014 for projects related to women's empowerment; the fund is intended to cover the projects approved by the benefactor for three consecutive years (2015-2016-2017). The remaining balance is meant to be allocated to specific cases of vulnerable women.
- o V21-I IDG, International Development Group: in the last three years JRS has strengthened the relationship with a group of benefactors who are volunteer fund raisers for JRS.
- o V21-M a Private donor foundation is funding JRS Education projects with a commitment of 5 Million Euro. The first tranche of 1 Million Euro was disbursed in 2015 and used in 2018 – 2019 and 2020 to strengthen the IT capacity of the International office. Every following year JRS IO has received other payments to reinforce the IO Education department and the activities of Teachers Training in JRS regions, as reflected on paragraph 6.14.

6.10 Donations & Grants Euro 5,000 and over

This section details individual donations received during the year, where the donor has contributed Euro 5,000 or more.

Donor	Currency	Original	Exchange	Euro Eq.
Private Donors	Euro	1,300,000	1.00	1,300,000
GHR Foundation	USD	244,285	1.14	213,563
Inukai Foundation	Euro	168,623	1.00	168,623
JRS USA fundraising activities	USD	154,491	1.14	136,040
Private Donors	GBP	91,742	0.92	109,761
	Euro	1,000	1.00	
Xavier Network	Euro	98,862	1.00	98,862
Suore della Santissima Madre Addolorata	USD	100,000	1.11	89,871
Jesuit Conference of Canada and the United States	Euro	71,879	1.00	142,023
	USD	79,965	1.14	
Private Donors	USD	75,000	1.13	66,507
European Low Countries Jesuit Region	Euro	62,470	1.00	62,470
Private Donors	USD	7,500	1.11	6,773
Private Donors	USD	25,000	1.11	22,577
Private Donors	USD	10,000	1.11	9,031
Association Fraternelle Romande	USD	60,000	1.11	53,991
Private Donors	Euro	50,000	1.00	50,000
Private Donors	USD	50,000	1.12	44,778
Private Donors	USD	50,000	1.12	44,679
British Province of Society of Jesus	Euro	33,334	1.00	33,334
Curia Generalizia Compagnia di Gesù	Euro	33,000	1.00	33,000
Suore Ausiliarici Anime del Purgatorio	Euro	25,000	1.00	25,000
Hermanas Servidoras de Jesús Cottolengo del P. Alegre	Euro	25,000	1.00	25,000
Private Donors	USD	25,000	1.12	22,389
Private Donors	USD	25,000	1.12	22,389
Irish Jesuit Missions	Euro	19,170	1.00	19,170
Insituto Mercedarias Misioneras de Berriz	USD	17,121	1.14	30,018
	Euro	15,000	1.00	
Stanwahr S.a.r.l.	Euro	15,000	1.00	15,000
Private Donors	USD	15,707	1.12	14,067
Suore della Carità delle Sante Capitanio e Gerosa	Euro	10,000	1.00	10,000
Entreculturas - Fe y Alegria Institutional Strengthening	Euro	9,645	1.00	9,645
Alboan Institutional Strengthening	Euro	7,767	1.00	7,767
Provincia de Espana - Compañía de Jesus	Euro	6,080	1.00	6,080
Jesuits West Irrv Apostolic Fund Charitable Trust	USD	6,899	1.14	6,052
Loyola Press	USD	7,390	1.10	6,719
Private Donors	Euro	5,000	1.00	5,000
Suore Missionarie D'Africa	Euro	5,000	1.00	5,000
Missionarie Serve dello Spirito Santo	Euro	5,000	1.00	5,000
Total donation over Euro 5.000				2,911,180

Other Donations

Donations	
Sub-total Small donations from Campaigns	111,413
Sub-total Small donations from Private donors	133,506
Sub-total Small donations from Recurrent donors	20,691
Total donations	265,610
Total donations & grants	3,176,790

6.11 Other Revenues

The item 'Other Revenues, amounting to Euro 1,689.004, consists of bank interest, the gain on the revaluation of year-end investments, and the gain on the conversion between different currencies, as reported in the table below:

Other revenues	
Bank & other income	96
Interest earned on Investments	15,234
Unrealized Investment & Foreign Exchange Gain	1,455,914
Indirect Cost contribution	216,117
Other extraordinary Income	1,643
Total Other Revenues	1,689,004
Total Income	4,865,794

Note on Indirect Cost contribution:

JRS worldwide applies a policy to cover the overheads costs of International Office and Regional Offices by applying a rate of 15% on the grants application with some donors who have signed a specific MoU. Out of 15%, the 4% is given to IO administrative costs. Below the details of each region contribution to IO cost.

REGION	Total Contribution
APR	8,255
EAR	20,149
EUROPE	107
GLR	46,022
LAC	230
MENA	80,622
SAR	2,652
SAS	18,865
WAF	39,215
TOTAL	216,117

6.12 In kind donations

Support from the Jesuit Curia: The Jesuit in-kind support for the office space, utilities, and Jesuit personnel continues to remain invaluable. The in-kind support, estimated in Euro, is reflected as a donation from the Jesuit Curia but it is not formally recorded in the accounts. The following schedule shows in detail the estimated monetary value associated with the Curia's support.

Type of in-kind Support	2019 in Euro
Office Rent – In kind support	150,000
Annual living costs for five Jesuits	80,000
Grand Total	230,000

Including the annual subsidy of Euro 33,000, the total contribution of the Jesuit Curia is Euro 263,000 which represents a strong commitment on part of the central government of the Society of Jesus for the important ministry of JRS through its international office.

6.13 Expenditures 2019 by project and by category

V01 – Corporate and Administration department

V02 – Human Resources department

V03 – Finance and Logistics department

V04 – Programmes & Innovation department

V09 – Advocacy and Communication, Philanthropy and Development department

V17 – Strategic Review project (not present in 2019)

V19 – International Office Funds

V20 – Rapid Response Team project (not present in 2019)

Category / Projects	V01	V02	V03	V04	V09	V17	V19	V20	Total
Assets Additions	21,753								21,753
Trainings	69,341	62,348	1,059						132,748
Seminars/Meetings	45,139			91,477					136,616
Specific IO projects	447,546	90,136		781,251					1,318,933
Office Support	185,506	4,976		2,929	8,819		2,671		204,901
Staff	394,446	141,695	214,400	477,516	335,047				1,563,104
Travel	53,833	7,622	21,063	56,459	38,144				177,121
Websites & Network Support	196,409				41,604				238,013
Philanthropy					60,117				60,117
Unrealized Foreign Exchange/Investment Loss	423						228,910		229,333
Grand Total 2019	1,414,397	306,777	236,522	1,409,632	483,731		231,581		4,082,640
Grand Total 2018	847,626	326,965	295,043	663,663	788,861	23,455	874,573	33,627	3,853,813
Grand Total 2017	341,858	220,085	280,857	532,462	485,093	36,794	532,070	32,065	2,461,284

Comparison 2019 Expenses by Category in the last 3 years

Category / Projects	Total 2019	Total 2018	Total 2017
Assets Additions	21,753	20,970	18,738
Office Support	204,901	142,518	166,730
Philanthropy	60,117	60,699	24,488
Publications	-	25,249	65,590
Seminars/Meetings	136,616	110,435	53,865
Specific projects	1,318,932	620,911	279,347
Staff	1,563,104	1,493,632	1,094,852
Trainings	132,748	122,164	32,854
Travel	177,122	143,187	127,318
Unrealized Foreign Exchange/Investment Loss	229,333	872,164	526,482
Websites & Network Support	238,013	241,891	71,020
Grand Total	4,082,640	3,853,820	2,461,284

Notes on Expenditures by category

- Increase Office Support Costs: 2019 saw an increase in the total amount of office expenses due to the increase of office operations.
- Increased Costs for Specific Projects: As of 2014 the International Office implements some projects directly managed by the office itself. In 2018 the Staff Care, Education and Teacher Training Programme, and Strategic Review projects were added. In 2019, in addition to these ongoing projects, JRS IO carried out Reconciliation activities in several countries and a further project called *Strengthening Country Operations* for the strengthening of JRS Country Offices. Increase in personnel costs: personnel costs include the contracts of Italian employees and some consultants. The increase between 2018 and 2019 is due to the hiring of interns by JRS and specific consultations during the year.

6.14 Income and Expenditures by Donor and by Project

Donor	Programmes	Project Currency	Opening balance 2019	Revenues	Costs	Balance 2019
Private donor	Global Education Initiative	Euro	(140,175)	1,300,000	(1,167,637)	(7,814)
Private donor	Institutional Strengthening	Euro	547,965	0,00	(452,325)	95,640
GHR Foundation	Reconciliation	USD	25,038	299,980	269,323	55,695

Appendix I: Impact of the COVID-19 pandemic on activities in the first quarter of 2020

In the first months of 2020, JRS was confronted with the COVID-19 pandemic, caused by an infection by the virus called SARS-CoV-2, which broke out between late 2019 and early 2020 in Wuhan, China, and then spread to other countries on all continents.

The impact of this pandemic on JRS International Office activities can be summarised as follows:

- Impact of the pandemic on activity level

There was a sharp reduction in the number of trips that the international office team makes annually to different countries for project monitoring purposes, and for training of local and international staff in different country offices.

Staff training continued through online webinars, group video-calls, and individual trainings. This situation resulted in positive externalities, as it allowed the JRS International Office to consolidate new online distance learning tools, and to interact even more with staff in country and regional offices.

Regarding on-site monitoring activities, desk officers in the programme and finance departments were able to compensate by requesting more frequent project progress reports and financial reports in order to ensure the smooth running of activities. The improvements undertaken in the IT system in the past 18 months have been extremely helpful to ensure an ongoing monitoring of activities and the financial situation remotely.

Regarding the Education and Teacher Training programmes and the Reconciliation and Peace Building programmes which are funded by specific donors and carried out directly by the International Office in the various countries where JRS works, JRS made agreements with donors to reallocate funds while maintaining the same project objectives. The funds will therefore be used toward the same purpose by developing more local activities carried out by local staff and field workers, while reducing the number of trips between the international office and local offices.

- Impact of the pandemic at annual budget level

The budget of the JRS International Office was revised and adapted to the new ways in which JRS coordinates its activities. The table below shows the major budget changes made and approved by the Board of Directors on 26 May 2020.

Budget Lines	2020 Approved Budget	Budget Revision 26 May 2020	Note
Purchases for non-Staff uses (Guests + recruitment)	6,000	4,000	Meetings postponed / Recruitments suspended
Salary (Italian, International, Field contract)	2,644,561	2,584,380	Net effect of Recruitments suspended, salary revisions
<i>Staff Travel – Workshops</i>	573,199	254,561	Reduction of travels and meetings costs (-56%)
Total Staff Costs (Travels, Personal development, staff care IO)	610,699	298,961	
Operating Costs	126,716	122,966	Small reduction due to reduced operations in the office
Consultancies (Security, M&I, Legal, Fiscal, Audits ...)	670,710	527,772	The 21% reduction was higher due to a revision of expenditure forecasts during the year. Some of the planned consultations and therefore the related payments will be completed in 2021.
IT (IT fixed costs + New System development)	517,860	513,736	
Representation costs (Meetings AC, SLT; CD; 40Y, ...)	50,100	38,700	Limited possibility to organize events, meetings (reduction of 23%)
Fundraising and Communication Costs	47,700	70,022	Fundraising activities were increased in order to find additional funds to respond to new needs due to the pandemic.
<i>Financial costs</i>	1,800	1,800	
<i>Contingency plan</i>	5,400	0	
Support for Projects	408,807	419,938	
Total Other Costs	414,207	419,938	
Taxes	42,000	42,000	
TOTAL BUDGET	5,132,352	4,624,275	
<i>Reduction</i>		508,077	Total Budget Reduction of 9.9%

The table below reports the actual versus budgeted expenditures for the first quarter of the year:

Budget lines	2020 revised budget	Actual as of April 30th	% Actual vs budget
Purchases for non-staff uses	4,000	100	3%
Salaries	2,584,380	851,786	33%
<i>Staff travels - workshops</i>	254,561	48,082	19%
<i>Other staff costs</i>	44,400	1,899	4%
Total Staff Costs	298,961	49,981	17%
Operating costs	122,966	27,270	22%
Consultancies	527,772	40,456	8%
IT	513,736	25,292	5%
Representation costs	38,700	1,975	5%
Fundraising and communication costs	70,022	18,370	26%
Financial costs	1,800	2,929	163%
Support to projects	419,938	213,000	51%
Taxes	42,000	2,443	6%
Total 2020	4,624,275	1,020,601	22%

- Pandemic impact on income

Concerning income and donations designated for JRS International Office activity, JRS has reduced its estimates of income for 2020 based on specific donations that will not be given in 2020, projections of reduced funding by some donors and by other INGOs, and general estimates of economic activity and recovery. This is complementary to the reduction in operating expenses described above. JRS does not anticipate a full recovery of all contributors in 2021 and is planning accordingly.

Fortunately, key institutional donors, several major donors, and donors linked to the Jesuit network have been steadfast in their support and flexible in its use in the context of COVID-19.

For the first time, the JRS International Office is at full staffing in resource mobilization; this allows the International Office to increase fundraising efforts and develop additional sources of income over the medium- and long-term.

In addition, the JRS International Office has received contributions to meet the office's specific needs due to the pandemic situation (personal protection equipment, development of safety protocols, etc.).

JRS is aware of the willingness of many donors to fund activities related to the COVID-19 emergency in the countries where it operates. Some of these gifts provide indirect cost compensation to the International Office.