LUTHERAN IMMIGRATION AND REFUGEE SERVICE, INC.
(d/b/a GLOBAL REFUGE)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2023

LUTHERAN IMMIGRATION AND REFUGEE SERVICE, INC.
(d/b/a GLOBAL REFUGE)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lutheran Immigration and Refugee Service, Inc.
d/b/a Global Refuge
Baltimore, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Lutheran Immigration and Refugee Service, Inc. (d/b/a Global Refuge) ("LIRS") (nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of LIRS as of December 31, 2023, and the changes in 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of LIRS 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted 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 consolidated financial statements.

Board of Directors
Lutheran Immigration and Refugee Service, Inc.
d/b/a Global Refuge
Baltimore, Maryland

In performing an audit in accordance with generally accepted 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 consolidated 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 LIRS'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LIRS'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 LIRS's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidated Summary of Changes in Net Assets for the Year ended December 31, 2023 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
July 15, 2024

LUTHERAN IMMIGRATION AND REFUGEE SERVICE, INC.
(d/b/a GLOBAL REFUGE)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2023 And 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 29,986,127	$ 14,594,061
Investments, at market value	33,669,181	28,799,322
Accounts receivable		
U.S. government	37,152,275	41,831,452
Contributions and other	906,663	1,097,893
Loans receivable, net - current	198,335	-
Prepaid expenses and other assets	493,412	382,922
Funds held by trustee	373,371	356,036
Total Current Assets	102,779,364	87,061,686
Non-Current Assets		
Investments – deferred compensation	71,031	45,431
Investment in Lutheran Center Corporation	3,242,927	3,318,079
Loans receivable, net – noncurrent	457,649	-
Operating lease right-of-use assets	144,002	285,560
Fixed assets, less accumulated depreciation and amortization of $969,845 and $789,301 at 2023 and 2022, respectively	1,068,982	1,087,499
Total Assets	$ 107,763,955	$ 91,798,255
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	$ 43,952,541	$ 33,661,883
Deferred compensation	71,031	45,431
Operating lease liabilities	158,653	161,538
Long-term debt	162,500	157,500
Total Current Liabilities	44,344,725	34,026,352
Non-Current Liabilities		
Operating lease liabilities	4,638	143,248
Long-term obligations debt, net of current portion	947,129	1,107,655
Total Liabilities	45,296,492	35,277,255
Net Assets		
Without Donor Restrictions		
Undesignated	60,341,172	51,489,767
Designated	1,631,777	2,390,075
Total Without Donor Restrictions	61,972,949	53,879,842
With Donor Restrictions	494,514	2,641,158
Total Net Assets	62,467,463	56,521,000
Total Liabilities and Net Assets	$ 107,763,955	$ 91,798,255

LUTHERAN IMMIGRATION AND REFUGEE SERVICE, INC.
(d/b/a GLOBAL REFUGE)

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2023 With Summarized Comparative Totals For 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
Operating Activities				
Support and Revenue				
Support				
Foundations and corporations	$ 90,045	$ 475,100	$ 565,145	$ 568,718
Other contributions	6,763,232	320,157	7,083,389	24,718,464
In-kind contributions	112,723	-	112,723	2,855,732
	6,966,000	795,257	7,761,257	28,142,914
U.S. Government grants	221,476,051	-	221,476,051	179,864,324
Total Support	228,442,051	795,257	229,237,308	208,007,238
Revenue				
Servicing fees	1,523,484	-	1,523,484	1,561,965
Miscellaneous	61,047	-	61,047	2,223
Total Revenue	1,584,531	-	1,584,531	1,564,188
Net assets released from restrictions	2,941,901	(2,941,901)	-	-
Total Support and Revenue	232,968,483	(2,146,644)	230,821,839	209,571,426
Expenses				
Program Services				
U.S. government funded activities	207,867,327	-	207,867,327	168,772,358
Other program activities	7,718,253	-	7,718,253	9,103,430
Total Program Services	215,585,580	-	215,585,580	177,875,788
Supporting Services				
Management and general	11,978,693	-	11,978,693	8,601,323
Fund-raising	3,249,993	-	3,249,993	2,425,419
Total Supporting Services	15,228,686	-	15,228,686	11,026,742
Total Expenses	230,814,266	-	230,814,266	188,902,530
Change in Net Assets – Operating Activities	2,154,217	(2,146,644)	7,573	20,668,896
Non-operating Activities				
Investment return	5,938,890	-	5,938,890	(1,233,855)
Change in Net Assets	8,093,107	(2,146,644)	5,946,463	19,435,041
Net Assets, beginning of year	53,879,842	2,641,158	56,521,000	37,085,959
Net Assets, end of year	$ 61,972,949	$ 494,514	$ 62,467,463	$ 56,521,000

LUTHERAN IMMIGRATION AND REFUGEE SERVICE, INC.
(d/b/a GLOBAL REFUGE)

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2023 And 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 5,946,463	$ 19,435,041
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	182,519	180,622
Realized and Unrealized gain (loss) on investments	(3,907,485)	1,825,829
Loss in Lutheran Center Corporation investment	75,152	89,127
Amortization of right-of-use assets, net of payments on lease liabilities	63	6,534
Changes in assets and liabilities:		
Accounts receivable		
U.S. government	4,679,177	(12,596,720)
Contributions and other	191,230	932,863
Prepaid expenses and deposits	(110,490)	(78,568)
Funds held by trustee	(17,335)	(1,961)
Accounts payable and accrued expenses	10,290,658	2,690,145
Net Cash Provided by Operating Activities	17,329,952	12,482,912
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture, fixtures and equipment, net	(162,028)	(270,425)
Loan disbursements	(690,000)	-
Repayment of loans	34,016	-
Purchases of investments	(989,347)	(15,715,445)
Proceeds from sales of investments	26,973	13,631
Net Cash Used In Investing Activities	(1,780,386)	(15,972,239)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term obligations	(157,500)	(147,500)
Net Cash Used in Financing Activities	(157,500)	(147,500)
Net Increase (Decrease) in Cash and Cash Equivalents	15,392,066	(3,636,827)
CASH AND CASH EQUIVALENTS		
Beginning of year	14,594,061	18,230,888
End of year	$ 29,986,127	$ 14,594,061
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ 62,935	$ 70,941

(1) ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

The financial statements include the activities of Lutheran Immigration and Refugee Service, Inc. d/b/a Global Refuge ("LIRS"), New America Community Lending Corporation ("NACL") and New American Careers, Inc. ("NAC") (collectively "the Organization"). LIRS and NACL are incorporated in Maryland as non-stock corporations. NAC is incorporated in Maryland as C Corporation whose 1,000 common shares are wholly owned by LIRS.

Witnessing to God's love for all people, the mission of LIRS is to stand with and advocate for migrants and refugees, transforming communities through ministries of service and justice.

NACL was incorporated as a supporting organization to LIRS to financially empower refugees, asylum seekers, and other immigrants to promote stability, and a share in the American dream. The mission of NACL is to protect migrants and refugees through services that rebuild lives, rekindle dreams, and enliven and enrich communities; and to promote community economic development by offering financial information, education, loans, and/or grants to refugees, asylum seekers, migrants, immigrants, or other underserved people or by offering such services to businesses owned by refugees, asylum seekers, migrants, immigrants, or other underserved people.

NAC is a social enterprise that seeks to provide meaningful career development, secure job placement, and economic empowerment for generations of refugees, immigrants, and asylum seekers. As a subsidiary of LIRS, we leverage the strength and resources of a large and dynamic network that allows us to access and create valuable relationships between the top candidates and employers in the region.

BASIS OF PRESENTATION AND CONSOLIDATION

The financial statements have been prepared on the accrual basis of accounting and include the activities of LIRS, NACL and NAC. A cost sharing agreement has been executed whereas NACL shall pay LIRS certain allocated costs as necessary for, but not limited to, executive, administrative, and clerical staff time; building occupancy; utilities, and other office costs. LIRS appoints the directors of NACL. Significant intercompany transactions and balances have been eliminated in consolidation.

The Organization follows the reporting requirements of U.S. generally accepted accounting principles (GAAP), which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

Without Donor Restrictions **–** Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. The Organization has chosen to provide further classification information about net assets without donor restrictions on the statement of financial position. The sub classifications are as follows:

- ***Undesignated*** – Represents the cumulative net assets without donor restrictions including those net assets invested in building and equipment.

- ***Designated*** – Represents net assets designated to be used at the discretion of management.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization and/or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt.

ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Organization considers money market funds, demand deposits with banks, and short-term investments with maturities of three months or less, to be cash equivalents.

CONCENTRATION OF CREDIT RISK

The Organization maintains cash deposits in excess of federally insured limits of $250,000. Accounting Standards Codification ***("ASC")*** 825, "Financial Instruments" identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

INVESTMENTS

Accounting Standards Codification ***("ASC")*** 958, "Not-for-profit Entities" establishes standards for accounting for certain investments held by not-for-profit organizations and requires that investments in securities be recorded at fair market value with the resulting gains and losses reported in the statement of activities.

The fair market value of investments traded on a securities exchange is determined based on quoted market prices for those investments.

As part of its investment policy, LIRS is prohibited from investing in specific companies as identified by the two primary supporting Church bodies and to the extent such prohibitions are communicated to LIRS.

FIXED ASSETS

Fixed assets are recorded at cost, or if donated, at fair market value on the date of donation. The Organization follows the practice of capitalizing all expenditures for fixed assets over $5,000. Depreciation on furniture, equipment, computer software and buildings is computed on the straight-line method over they estimated useful life of the asset 3 to 30 years. Leasehold improvements are amortized over the shorter of the improvements' life or the remaining lease term.

CONTRIBUTIONS

Contributions are recognized as revenues in the period received and are considered to be without donor restrictions unless specifically restricted by the donor for time or purpose. The Organization reports contributions in the donor restricted net assets if they are received with donor stipulations as to their use and/or time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are released and reclassified to net assets without donor restriction in the statement of activities. Donor-restricted contributions are initially reported in the with donor restriction net asset class, even if it is anticipated that such restrictions will be met in the current reporting period.

CONTRIBUTIONS IN-KIND

LIRS received in-kind goods which are utilized to support the Reception and Placement programs. These resources are provided by churches and other organizations and are recorded at estimated fair market value. The fair market value is primarily based on published rates charged to consumers in the marketplace.

U.S. GOVERNMENT AWARDS

LIRS receives grant awards funded by the U.S. Government for the resettlement of and other services to refugees and to other migrants in federal custody. Revenues from such grants are considered to be conditional contributions and are recognized as qualifying expenses are incurred under the agreement. LIRS adopted the simultaneous release option for donor-restricted conditional grants that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restriction.

SERVICE FEE REVENUE

Revenue is recognized when control of the services provided is transferred to the customer, in an amount that reflects the consideration LIRS expects to be entitled to in exchange for those services. Revenue from contracts with customers is from servicing fees charged on the collection of transportation loans (***Note 4***), which is recognized as the loans are collected; and from licensing fees assessed to users of LIRS's Immigration and Refugee Information System (IRIS) software, which is recognized ratably over the subscription period.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain categories of expenses that are attributable to program and supporting functions of the Organization have been allocated based on time and effort and include facilities operations, depreciation, and interest.

LEASES

Operating leases are included in operating lease right-of-use ***("ROU")*** assets and operating lease liabilities in the statement of financial position. The Organization determines whether an agreement is or contains a lease at lease inception.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's leases do not provide an implicit interest rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

DEBT

The Organization applies the guidance in ASU 2013-04, *Liabilities (Topic 405)*, which requires an entity to measure obligations resulting from joint and several liability arrangements as the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors.

INCOME TAXES

LIRS has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"), and has been classified as an organization, which is not a private foundation under Section 509(a) of the Code. NACL is also tax exempt under IRC Section 501(c)(3) as a supporting organization for the benefit of LIRS, which is further defined under IRC Section 509(a)(3).

The Organization recognizes or derecognizes tax positions on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization has reviewed the tax positions taken for each of the open tax years (2020 – 2022) or expected to be taken in LIRS's 2023 tax return and has concluded it has no material uncertain tax positions. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization follows the accounting guidance that creates a single model to address uncertainty in tax positions and clarifies accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in its financial statements. Under the requirements of this guidance, organizations could now be required to record an obligation as the result of tax positions they have historically taken on various tax exposure items. The Organization is not required to record such an obligation.

CONTINGENCY

Under the terms of the U.S. Government grants, which are made based upon the acceptance by the U.S. Government of the program proposals submitted by LIRS, amounts are stipulated for both direct program costs and administrative overhead costs. The administrative overhead rate has been approved through December 31, 2021 and a provisional rate has been provided through December 31, 2024. LIRS records revenue from the administrative overhead costs based on the current rates in effect during the year rather than from the provisional rate. Management believes that any adjustment to the administrative rate used in recording U.S. Government grant activity in the 2023 financial statements, if any, will not have a material effect on the financial position or operating results of LIRS.

PRIOR YEAR INFORMATION

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with LIRS's audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

RECLASSIFICATIONS

Certain reclassifications were made to the prior year financial statements to conform to the current year presentation.

NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

In 2016, the FASB issued ASU 2016-13, Current Expected Credit Loss. The ASU requires the earlier recognition of credit losses on trade receivables and other financial instruments based on an expected loss model. The standard also requires expanded credit quality disclosures, including credit quality indicators disaggregated by vintage, as applicable. This standard was adopted effective January 1, 2023.

(2) INVESTMENTS

At December 31, 2023 and 2022 investments consisted of the following:

	2023 Market	2022 Market
Fixed Income:		
Certificate of deposit	$ 1,200,699	$ 1,163,610
Private debt obligation	224,569	224,569
Government money market fund	7,621	13,736
Equities:		
Lutheran-related investment pools	45,272	40,163
Common stock	77,038	8,756
Mutual Funds and Exchange Traded Funds:		
Bond	12,149,867	11,455,808
Stock	19,964,115	15,892,680
	$33,669,181	$28,799,322

Investment earnings for the years ended December 31, 2023 and 2022 are comprised of the following:

	2023	2022
Interest and dividends*	$ 2,098,533	$ 620,967
Realized and unrealized gain /(loss)	3,907,485	(1,825,829)
Investment fees	(67,128)	(28,993)
	$ 5,938,890	$(1,233,855)

* ***Includes interest earned on the operating bank accounts and money market funds***

The following describes the hierarchy of inputs used to measure market value and the primary valuation methodologies used by LIRS for investments measured at market value on a recurring basis. An investment's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the market value measurement. The three levels of inputs are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities. Market price data is generally obtained from exchange or dealer markets.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities. Inputs are obtained from various sources including market participants, dealers, and brokers.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment.

The methods described above may produce a market value calculation that may not be indicative of net realizable value or reflective of future market values. Furthermore, LIRS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the market value of certain investments could result in a different estimate of market value.

The following table presents the investments carried at market value as of December 31, 2023 and December 31, 2022, by caption on the statement of financial position by the valuation hierarchy defined above:

	2023			
	Level 1	Level 2	Level 3	Total
Fixed Income:				
Certificate of deposit	$ -	$ 1,200,699	$ -	$ 1,200,699
Private debt obligation	-	224,569	-	224,569
Government money market fund	7,621	-	-	7,621
Equities:				
Lutheran-related investment pools	-	45,272	-	45,272
Common stock	77,038	-	-	77,038
Mutual Funds and Exchange Traded Funds:				
Bond	12,149,867	-	-	12,149,867
Stock	19,964,115	-	-	19,964,115
	$32,198,641	$1,470,540	$ -	$33,669,181

	2022			
	Level 1	Level 2	Level 3	Total
Fixed Income:				
Certificate of deposit	$ -	$ 1,163,610	$ -	$ 1,163,610
Private debt obligation	-	224,569	-	224,569
Government money market fund	13,736	-	-	13,736
Equities:				
Lutheran-related investment pools	-	40,163	-	40,163
Common stock	8,756	-	-	8,756
Mutual Funds and Exchange Traded Funds:				
Bond	11,455,808	-	-	11,455,808
Stock	15,892,680	-	-	15,892,680
	$27,370,980	$1,428,342	$ -	$28,799,322

(3) DEFERRED COMPENSATION

LIRS maintains a deferred compensation plan for highly compensated employees that qualifies under IRC 457(B). Contributions to the plan amounted to $19,946 and $20,500 for the years ending December 31, 2023 and 2022, respectively. The balance in the deferred compensation plan as of December 31, 2023 and 2022 was $71,031 and $45,431 and assets are comprised of exchange traded funds that are valued using level 1 inputs.

(4) LOAN RECEIVABLE

TRANSPORTATION LOANS – IOM PROGRAM

LIRS acts as an agent for the collection of transportation loans for refugee resettlement through the International Organization for Migration ***("IOM")***. Collections are remitted to IOM net of servicing fees earned which are 25% of loan collections. LIRS earned fees of $942,715 and $893,053 for the years ending December 31, 2023 and 2022, respectively which are included in Servicing fees on the statement of activities. These loans are not included in the statement of financial position as they are not loans owned by LIRS. The activity for the transportation loans was as follows:

	2023	2022
Balance outstanding at beginning year	$14,569,654	$15,219,306
New loans	10,834,954	2,997,201
Loan payments	(3,590,061)	(3,630,432)
Loans transferred to IOM	(4,204,841)	(16,421)
Balance outstanding at end of year	$17,609,706	$14,569,654

NEW AMERICAN COMMUNITY LENDING AND OTHER LOANS

NACL offers interest bearing and Riba-free Business and Personal loans. Interest rates on the loans are fixed and ranged from 5% to 10% at December 31, 2023. Business loans from $500 to $7,500 have repayment options of 12 months to 36 months whereas loans from $7,501 to $15,000 have repayment options of 12 months to 60 months. Borrowers of Personal loans can borrow $500 to $5,000 and have repayment options of 12 months to 36 months. The balance of such Riba-free Business and Personal loans as of December 31, 2023 was $560,146. Additionally, Global Refuge offers Microfinance and other loans through federal and other private funding loan programs whose balance outstanding as of December 31, 2023 was $135,838.

Scheduled maturities of loans receivable are as follows:

Year Ending December 31,	
2024	$ 198,335
2025	172,302
2026	156,663
2027	87,556
2028	76,905
Thereafter	4,223
Subtotal	695,984
Less: allowance for loan loss	(40,000)
Total	$ 655,984

(5) INVESTMENT IN LUTHERAN CENTER CORPORATION

LIRS occupies approximately 50% of the office space and common space in the Lutheran Center owned by Lutheran Center Corporation ***("LCC")***. LCC, a non-profit organization, was organized to construct and operate the office building which LIRS and Lutheran World Relief ***("LWR")*** occupy. LIRS has a 50% interest in LCC and as such, carries its investment in LCC on the equity method. LIRS and LWR provide monthly payments to LCC under a partial cost sharing agreement which provides for reimbursement of costs, including interest in operating the building based upon space occupied. The agreement is for 30 years commencing September 1, 1999 through August 31, 2029 with six renewal options of 10 years each. For the years ended December 31, 2023 and 2022, LIRS has recorded occupancy expense of approximately $555,900 and $587,400 respectively, based upon its proportionate share of LCC's costs.

Since LIRS reports its investment in LCC under the equity method, LIRS's proportionate share of the LCC's operating results will be reflected in the reported investment value. At December 31, 2023 and 2022, LIRS' equity in LCC was $3,242,927 and $3,318,079, respectively. At December 31, 2023, LCC assets consisted principally of the building and improvements. The building is subject to a ground lease which provides for LCC to pay rent of $1 per year for 50 years beginning in 1999, with four optional ten-year extensions.

(6) PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 and 2022 consists of the following:

	2023	2022
Computer equipment and software	$ 485,819	$ 409,850
Furniture and fixtures	1,234,444	1,148,386
Leasehold improvement	318,564	318,564
	2,038,827	1,876,800
Less accumulated depreciation	969,845	789,301
Property and equipment, net of depreciation	$ 1,068,982	$ 1,087,499

Depreciation expense of property and equipment was $180,544 and $178,646 in 2023 and 2022, respectively.

(7) DEBT

On July 26, 2007, LIRS and LWR borrowed $5,805,000 through the issuance of Economic Development Revenue Bonds, Series 2007, ("2007 Bonds") through the Maryland Economic Development Corporation. The 2007 Bonds were issued to advance refund the Maryland Economic Development Revenue Bonds, Series 2000 ("2000 Bonds") issued by the Maryland Economic Development Corporation. Proceeds of the 2007 Bonds were used to pay a portion of the issuance costs of the 2007 Bonds. LIRS and LWR are jointly and severally liable for the 2007 Bonds and, as such, each has recorded 50% of the outstanding debt and related issue costs. In the event that either organization is unable to pay off their portion of the outstanding debt, the other organization will be liable. LCC, as owner of the Lutheran Center building, has guaranteed the repayment of the debt. LIRS and LWR must maintain a joint leverage ratio (cash and investments to annual debt service) of 5 to 1 or approximately $2,250,000 in required cash and investments. As of December 31, 2023 the covenant was met.

The 2007 Bonds, bearing interest at 5.25% per annum, were issued as Serial Bonds with annual principal payments due on April 1 each year through 2029. The 2007 Bonds also have annual mandatory sinking fund provisions. Deferred loan costs in the amount of $226,212 were incurred in connection with the issuance of the 2007 Bonds. LIRS capitalized 50% of these costs which are being amortized on a straight-line basis over the life of the bonds. Long-term debt on the 2007 Bonds at December 31, 2023 and 2022 is shown on the statement of financial position net of unamortized bond premium of $16,087 and $19,151, respectively, and deferred loan costs of $26,458 and $31,496, respectively.

In conjunction with the issuance of the 2007 Bonds, a Debt Service Reserve Fund (the "Reserve Fund") was established. LIRS has ownership to 50% of the value held in the Reserve Fund which is included within Funds held by Trustee on the statement of financial position. Funds in the Debt Service Reserve Fund may be withdrawn by the Trustee to make the principal or interest payments required in the event that the other funds available for the purpose are inadequate. The Debt Service Reserve Fund balance at December 31, 2023 and 2022 was $227,446 and $226,094, respectively. Additionally, Funds held by Trustee on the statement of financial position includes LIRS's 50% ownership in the debt service principal and interest accounts it contributes to funding which amounted to $145,925 and $129,942 as of December 31, 2023 and 2022, respectively.

Principal payments under the terms of the 2007 Bond indenture are as follows:

	LIRS Portion	LWR Portion	Total
2024	$ 162,500	$ 162,500	$ 325,000
2025	172,500	172,500	345,000
2026	180,000	180,000	360,000
2027	192,500	192,500	385,000
2028	202,500	202,500	405,000
Thereafter	210,000	210,000	420,000
	$ 1,120,000	$ 1,120,000	$ 2,240,000

Interest expense on the 2007 Bonds for the years ended December 31, 2023 and 2022 was approximately $61,000 and $69,000, respectively.

Additionally, LIRS has available an ongoing $8,000,000 line of credit with a bank. Interest on the line of credit is payable monthly at the greater of two percentage points above SOFR or 3.25%. During the year ended December 31, 2023, LIRS did not utilize the line of credit. LIRS must maintain accounts held at the institutional equal to two times the maximum line of credit at all times. At December 31, 2023 the covenant was met.

(8) NET ASSETS

Net assets with donor restrictions as of December 31, 2023 and 2022 were available for the following purposes:

	2023	2022
New American Cities	$ 68,790	$ 878,117
New American Community Lending	75,000	398,221
Welcome Centers & Asylum Services	247,262	1,134,327
Endowment	103,462	-
Other	-	230,493
	$ 494,514	$ 2,641,158

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, as follows:

	2023	2022
Rusk House Fund	$ -	$ 69,720
New American Cities	965,072	1,050,796
New American Community Lending	398,221	5,000
Maryland Mental Health	175,691	397,275
Welcome Centers & Asylum Services	1,171,674	1,114,510
Other	231,243	362,981
	$ 2,941,901	$ 3,000,282

(9) FUNCTIONAL EXPENSES

	U.S. Government Funded Activities	Other Program Activities	Total Program Services	Management And General	Fund-Raising	Total Support Services	Totals 2023	Totals 2022
Personnel Costs	$ 32,663,654	$ 3,126,693	$ 35,790,347	$ 8,608,344	$ 1,866,879	$ 10,475,223	$ 46,265,570	$ 28,464,149
Office Operations	4,644,338	1,578,093	6,222,431	2,915,922	1,198,417	4,114,339	10,336,770	7,649,433
Travel and Meetings	1,977,582	119,999	2,097,581	357,485	152,709	510,194	2,607,775	1,058,799
Supporting Services – Field Operations	130,145,148	203,117	130,348,265	-	-	-	130,348,265	117,919,046
Refugee Aid and Other Grants	38,410,173	2,663,194	41,073,367	-	-	-	41,073,367	33,632,457
Depreciation and Amortization	26,432	27,157	53,589	96,942	31,988	128,930	182,519	178,646
	$ 207,867,327	$ 7,718,253	$ 215,585,580	$ 11,978,693	$ 3,249,993	$ 15,228,686	$ 230,814,266	$ 188,902,530

(10) RETIREMENT PLAN

LIRS maintains a defined contribution plan for eligible employees. LIRS contributes 3% of eligible employee earnings and provides a match of up to 7% of recipient contributions to the plan. Contributions to the plan were approximately $2,023,000 and $1,030,000, respectively, for the years 2023 and 2022.

(11) LEASE COMMITMENTS

LIRS has an agreement to lease office space and a copier, and each is an operating lease. The following is quantitative data related to LIRS's operating leases for the years ended December 31, 2023 and 2022:

	2023	2022
Operating Lease Amounts:		
Right-of-use assets	$ 144,002	$ 285,560
Lease liabilities	163,291	304,786
Other Information:		
Operating outgoing cash flows for operating leases	$ 161,538	$ 164,248
Weighted-average remaining lease term	2.00 years	1.94 years
Weighted average discount rate	1.99%	1.29%

Lease cost information for the years ended December 31, 2023 and 2022 is as follows:

	2023	2022
Operating lease cost	$ 161,601	$ 166,687
Short term and other lease costs	233,777	152,236
Total lease costs	$ 395,378	$ 318,923

Future lease payments at December 31, 2023:

Year Ending December 31,	
2024	$ 158,653
2025	6,408
Total undiscounted cash flows	165,061
Less: present value adjustment	(1,770)
Lease liability	$ 163,291

(12) LETTER OF CREDIT

LIRS maintains a letter of credit to benefit the State of Maryland for unemployment payments. The amount available under this arrangement as of December 31, 2023 and 2022 was $86,917 and $76,573, respectively. As of December 31, 2023 and 2022, LIRS had no outstanding advances.

(13) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

At December 31, 2023 and 2022, financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial Assets	2023	2022
Cash and cash equivalents	$ 29,986,127	$ 14,594,061
Short-term investments	33,669,181	28,799,322
U.S. government receivables	37,152,275	41,831,452
Miscellaneous receivables	906,663	1,097,893
Loans receivable - current	198,335	-
Total financial assets available within one year	101,912,581	86,322,728
Less those unavailable for general expenditure within one year, due to:		
Restricted by donor with purpose or time restrictions	(494,514)	(2,641,158)
Total financial assets available to management for general expenditures within one year	$ 101,418,067	$ 83,681,570

As part of LIRS's liquidity-management plan, it structures its financial assets to be available as its obligations come due.

(14) CONTRIBUTED NON-FINANCIAL ASSETS

For the years ended September 30 2023 and 2022, contributed nonfinancial assets have been recorded in the statement of activities and changes in net assets as follows:

	2023	2022
Household goods, clothing and supplies	$ 112,723	$ -
Temporary housing and transportation	-	2,855,732
Total contributed nonfinancial assets*	$ 112,723	$ 2,855,732

* Utilized in the Reception and Placement Programs

(15) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date the financial statements were available for issuance, July 15, 2024, have been evaluated in the preparation of the financial statements.

SUPPLEMENTAL INFORMATION

LUTHERAN IMMIGRATION AND REFUGEE SERVICE, INC.
(d/b/a GLOBAL REFUGE)

CONSOLIDATED SUMMARY OF CHANGES IN NET ASSETS

Year Ended December 31, 2023

	Balance December 31, 2022	Additions	Deductions	Balance December 31, 2023
		(Including Inter-Fund Transfers)		
Without Donor Restriction				
Undesignated, available for general activities	$ 51,489,767	$ 235,965,472	$ (227,114,067)	$ 60,341,172
Designated				
Capital Reserve	591,003	-	-	591,003
Partner Stabilization Fund	452,309	-	-	452,309
Friends of Refugees	250	-	(250)	-
Innovation Fund	341,827	-	-	341,827
Welcome Centers & Asylum Services	1,004,686	-	(758,048)	246,638
	2,390,075	-	(758,298)	1,631,777
Total Without Donor Restriction	$ 53,879,842	$ 235,965,472	$ (227,872,365)	$ 61,972,949
With Donor Restriction				
New American Cities	878,117	155,745	(965,072)	68,790
New American Community Lending	398,221	75,000	(398,221)	75,000
Maryland Mental Health	-	175,691	(175,691)	-
Welcome Centers & Asylum Services	1,134,327	284,609	(1,171,674)	247,262
Endowment	-	103,462	-	103,462
Other	230,493	750	(231,243)	-
Total With Donor Restriction	$ 2,641,158	$ 795,257	$ (2,941,901)	$ 494,514