

**COMBINED FINANCIAL STATEMENTS**

**IMMIGRATION EQUALITY**

**IMMIGRATION EQUALITY ACTION FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2018**

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Immigration Equality  
Immigration Equality Action Fund  
New York, New York

We have audited the accompanying combined financial statements of Immigration Equality and Immigration Equality Action Fund (collectively, the Organizations), which comprise the combined statement of financial position as of December 31, 2019, and the related combined statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organizations as of December 31, 2019, and the combined change in their net assets and their combined cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the Organizations' 2018 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated May 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

## Other Matter

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The Combining Schedule of Financial Position on page 14, Combining Schedule of Activities on page 15, Combining Schedule of Change in Net Assets on page 16, Schedule of Functional Expenses - Immigration Equality on page 17, and Schedule of Functional Expenses - Immigration Equality Action Fund on page 18 are presented for purposes of additional analysis and are not required parts of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.



October 20, 2020

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**COMBINED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

**ASSETS**

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,026,157	\$ 1,269,179
Accounts receivable	55,011	1,044
Contributions receivable	321,398	10,000
Prepaid expenses	55,077	57,482
Other current assets	<u>631</u>	<u>631</u>
Total current assets	<u>1,458,274</u>	<u>1,338,336</u>
<b>FIXED ASSETS</b>		
Furniture and equipment	2,798	2,798
Website development	24,814	-
Leasehold improvements	<u>28,500</u>	<u>28,500</u>
	56,112	31,298
Less: Accumulated depreciation and amortization	<u>(31,298)</u>	<u>(31,298)</u>
Net fixed assets	<u>24,814</u>	<u>-</u>
<b>NONCURRENT ASSETS</b>		
Security deposit	23,929	23,929
Contributions receivable, net of current portion	<u>100,000</u>	<u>-</u>
Total noncurrent assets	<u>123,929</u>	<u>23,929</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,607,017</u></b>	<b><u>\$ 1,362,265</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 84,659	\$ 120,543
Deferred rent	<u>3,829</u>	<u>5,631</u>
Total current liabilities	<u>88,488</u>	<u>126,174</u>
<b>NONCURRENT LIABILITIES</b>		
Deferred rent	<u>-</u>	<u>3,829</u>
Total liabilities	<u>88,488</u>	<u>130,003</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,066,529	1,057,679
With donor restrictions	<u>452,000</u>	<u>174,583</u>
Total net assets	<u>1,518,529</u>	<u>1,232,262</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,607,017</u></b>	<b><u>\$ 1,362,265</u></b>

See accompanying notes to combined financial statements.

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 787,521	\$ -	\$ 787,521	\$ 657,751
Foundation grants	119,385	704,062	823,447	663,728
Government grants	30,000	-	30,000	-
In-kind contributions - legal services	28,503,656	-	28,503,656	33,914,849
Special events, net of expenses	646,351	-	646,351	162,470
Other	8,958	-	8,958	2,967
Net assets released from donor restrictions	<u>426,645</u>	<u>(426,645)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>30,522,516</u>	<u>277,417</u>	<u>30,799,933</u>	<u>35,401,765</u>
<b>EXPENSES</b>				
Program Services:				
Legal	29,371,576	-	29,371,576	34,752,494
Outreach	233,369	-	233,369	238,443
Advocacy	<u>3,016</u>	<u>-</u>	<u>3,016</u>	<u>6,303</u>
Total program services	<u>29,607,961</u>	<u>-</u>	<u>29,607,961</u>	<u>34,997,240</u>
Supporting Services:				
Management and General	376,851	-	376,851	299,541
Fundraising	<u>528,854</u>	<u>-</u>	<u>528,854</u>	<u>480,411</u>
Total supporting services	<u>905,705</u>	<u>-</u>	<u>905,705</u>	<u>779,952</u>
Total expenses	<u>30,513,666</u>	<u>-</u>	<u>30,513,666</u>	<u>35,777,192</u>
Change in net assets before other item	8,850	277,417	286,267	(375,427)
<b>OTHER ITEM</b>				
De-obligated funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,083)</u>
Change in net assets	8,850	277,417	286,267	(442,510)
Net assets at beginning of year	<u>1,057,679</u>	<u>174,583</u>	<u>1,232,262</u>	<u>1,674,772</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 1,066,529</u></b>	<b><u>\$ 452,000</u></b>	<b><u>\$ 1,518,529</u></b>	<b><u>\$ 1,232,262</u></b>

**IMMIGRATION EQUALITY  
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**COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019							2018	
	Program Services				Supporting Services			Total Expenses	Total Expenses
	Legal	Outreach	Advocacy	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 571,100	\$ 146,109	\$ 1,604	\$ 718,813	\$ 198,649	\$ 291,276	\$ 489,925	\$ 1,208,738	\$ 1,119,645
Payroll taxes, benefits and expenses	122,092	30,767	195	153,054	34,396	55,682	90,078	243,132	231,186
Staff training and development	25,254	5,869	25	31,148	6,415	12,838	19,253	50,401	14,213
Professional services	-	6,839	-	6,839	75,485	18,004	93,489	100,328	85,647
Donated legal services	28,503,656	-	-	28,503,656	-	-	-	28,503,656	33,914,849
Rent	68,247	15,617	74	83,938	15,312	36,470	51,782	135,720	132,611
Electricity and utilities	7,035	1,610	8	8,653	1,579	3,759	5,338	13,991	12,408
Telephone, fax and internet	5,635	1,287	6	6,928	1,262	3,006	4,268	11,196	12,284
Insurance	6,462	1,479	7	7,948	1,449	3,453	4,902	12,850	11,962
Postage and shipping	3,088	48	-	3,136	47	1,951	1,998	5,134	5,335
Food and refreshments	133	351	-	484	3,927	141,767	145,694	146,178	153,013
Office supplies	9,662	2,302	10	11,974	2,082	4,790	6,872	18,846	13,075
Computer and management information systems	32,340	7,400	35	39,775	7,255	17,282	24,537	64,312	100,105
Travel	2,043	3,910	503	6,456	5,050	2,085	7,135	13,591	17,909
Conference	3,150	2,019	-	5,169	7,211	1,730	8,941	14,110	6,679
Subscriptions/dues	4,841	280	500	5,621	2,587	4,084	6,671	12,292	7,462
Advertising and publicity	-	7,391	-	7,391	-	15,739	15,739	23,130	22,989
Bank and finance charges	-	-	-	-	341	16,523	16,864	16,864	13,702
Miscellaneous	6,838	91	49	6,978	13,804	26	13,830	20,808	9,010
Subtotal	29,371,576	233,369	3,016	29,607,961	376,851	630,465	1,007,316	30,615,277	35,884,084
Direct costs of special events	-	-	-	-	-	(101,611)	(101,611)	(101,611)	(106,892)
<b>TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES (EXHIBIT B)</b>	<b>\$ 29,371,576</b>	<b>\$ 233,369</b>	<b>\$ 3,016</b>	<b>\$ 29,607,961</b>	<b>\$ 376,851</b>	<b>\$ 528,854</b>	<b>\$ 905,705</b>	<b>\$ 30,513,666</b>	<b>\$ 35,777,192</b>

See accompanying notes to combined financial statements.

**IMMIGRATION EQUALITY  
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**COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 286,267	\$ (442,510)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
(Increase) decrease in:		
Accounts receivable	(53,967)	4,062
Contributions receivable	(411,398)	393,183
Prepaid expenses	2,405	(18,947)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(35,884)	58,520
Deferred rent	<u>(5,631)</u>	<u>(1,636)</u>
Net cash used by operating activities	<u>(218,208)</u>	<u>(7,328)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(24,814)</u>	<u>-</u>
Net cash used by investing activities	<u>(24,814)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(243,022)	(7,328)
Cash and cash equivalents at beginning of year	<u>1,269,179</u>	<u>1,276,507</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,026,157</u></b>	<b><u>\$ 1,269,179</u></b>



**IMMIGRATION EQUALITY  
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

Organization -

Immigration Equality is a national organization fighting for equality under U.S. immigration law for lesbian, gay, bisexual, transgender and HIV-positive individuals. Immigration Equality provides free legal aid and advocacy for LGBTQ and HIV-positive immigrants and their families.

Immigration Equality is headquartered in New York City. Its primary sources of revenue are contributions, foundation grants and special events.

Immigration Equality Action Fund is a 501(c)(4) not-for-profit organization incorporated in 2009. Immigration Equality Action Fund advocates on Capitol Hill for equality for lesbian, gay, bisexual, transgender and HIV-positive immigrants and their families. To end discrimination in U.S. immigration law, Immigration Equality Action Fund works to pass the Uniting American Families Act and LGBTQ-inclusive Comprehensive Immigration Reform. Immigration Equality Action Fund lobbies legislators and other policy makers, builds coalitions, and empowers LGBTQ immigrant families around the country to fight for change. Its primary source of revenue is contributions.

Immigration Equality and Immigration Equality Action Fund are related through overlapping Boards of Directors and common goals.

Basis of presentation -

The accompanying combined financial statements of Immigration Equality and Immigration Equality Action Fund (collectively, the Organizations) are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The combined 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.

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Basis of presentation (continued) -

Accordingly, such information should be read in conjunction with the Organizations' combined financial statements for the year ended December 31, 2018, from which the summarized information was derived.

New accounting pronouncements adopted -

During 2019, the Organizations early adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. Analysis of the various provisions of this standard resulted in no significant changes in the way the Organizations recognized revenue; however, the presentation and disclosures of revenue have been enhanced. The Organizations has elected to opt out of all (or certain) disclosures not required for nonpublic entities and also elected a modified retrospective approach for implementation.

During 2019, the Organizations adopted ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions. The Organizations adopted the ASU using a modified prospective basis.

Cash and cash equivalents -

The Organizations consider all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organizations maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Accounts and contributions receivable -

Accounts and contributions receivable are stated at net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to seven years. Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Website development costs are amortized over five years once placed in service.

As of December 31, 2019, the Organizations' new website has not yet been placed in service. Accordingly, certain application and development costs have not yet been amortized.

**IMMIGRATION EQUALITY  
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Income taxes -

Immigration Equality is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Immigration Equality is not a private foundation.

Immigration Equality Action Fund is exempt from Federal income taxes under 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying combined financial statements.

Uncertain tax positions -

For the year ended December 31, 2019, the Organizations have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and have determined that no material uncertain tax positions qualify for either recognition or disclosure in the combined financial statements.

Contributions and grants -

Contributions and grants, are recognized in the appropriate category of net assets in the period received. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift. Conditional promises to give are not recognized until the condition on which they depend are substantially met. Contributions and grants qualifying as contributions are recorded by the Organizations upon notification of the contribution and grant award and satisfaction of all conditions, if applicable. Contributions and grants are classified as net assets with donor restrictions when use of the contribution or grant funds is limited to specific programmatic areas or is designated for use in future periods.

Contributions and grants with donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying combined financial statements. Contributions and grants received in advance of incurring the related expenses are recorded as "net assets with donor restrictions".

Special events -

Revenue received for events is recorded as revenue when the related event has occurred.

Use of estimates -

The preparation of the combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Combined Statement of Activities and Change in Net Assets.

**IMMIGRATION EQUALITY  
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Functional allocation of expenses (continued) -

Accordingly, certain costs have been allocated among the programs and supporting services benefited. Some expenses are allocated on a basis of time and effort (such as salaries, benefits, and office overhead, including rent). Other expenses are not allocated and categorized as they are incurred for specific programs (such as fundraising event costs and travel).

New accounting pronouncement (not yet adopted) -

FASB issued ASU 2019-01, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for non public entities beginning after December 15, 2020. Early adoption is permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

The Organizations plan to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

In-kind contributions -

In-kind contributions are recognized as support and expense in the Combined Statement of Activities and Change in Net Assets. In-kind contributions are recorded at their fair value as of the date of the gift. As part of its Legal program, Immigration Equality arranges for the provision of pro bono legal services to LGBTQ and HIV-positive immigrants and their families.

For the year ended December 31, 2019, the value of those services provided through Immigration Equality totaled \$28,503,656.

**2. CONTRIBUTIONS RECEIVABLE**

As of December 31, 2019, contributors to the Organizations have made written promises to give totaling \$421,398.

Payments are expected to be collected as follows as of December 31, 2019:

Less than one year	\$ 321,398
One to five years	<u>100,000</u>
<b>GRANTS AND CONTRIBUTIONS RECEIVABLE</b>	<b><u>\$ 421,398</u></b>

**3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of December 31, 2019:

<b>Time Restricted</b>	<b><u>\$ 452,000</u></b>
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**3. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Legal	\$	150,000
Passage of Time		<u>276,645</u>
<b>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>\$</b>	<b><u>426,645</u></b>

**4. LEASE COMMITMENT**

During 2017, the Organizations renewed their lease for an additional three-year term, which expires in June 2020. The base rent required under the lease is \$10,930 per month, with an annual escalation of 3% (and a rental abatement of \$10,930 in the first year of the lease). The lease requires an additional security deposit of \$15,529, for a total security deposit of \$23,929. On May 29, 2020, the Organizations amended their lease to a month-to-month basis with free rent commencing July 1, 2020 through September 30, 2020. The Organizations terminated this lease agreement in September 2020 and entered into a one-year agreement for new office space in Brooklyn, New York. The new lease commenced on September 15, 2020 and required a \$4,050 security deposit. Base rent is \$2,700 per month and the agreement includes 3 months of rent abatement.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability on the combined Statement of Financial Position. As of December 31, 2019, the deferred rent liability aggregated \$3,829.

Following is a schedule of the future minimum lease payments:

**Year Ending December 31,**

2020	\$	105,715
2021		<u>22,950</u>
	<b>\$</b>	<b><u>128,665</u></b>

Rent expense for the year ended December 31, 2019 totaled \$135,720 (including taxes and other operating expenses).

**5. LIQUIDITY**

Financial assets available for use within one year of the Statement of Financial Position, comprise the following at December 31, 2019:

Cash and cash equivalents	\$	1,026,157
Accounts receivable		55,011
Contributions receivable		<u>321,398</u>
Total financial assets available within one year		1,402,566
Less: Amounts unavailable for general expenditures within one year due to donor restrictions		<u>(100,000)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$</b>	<b><u>1,302,566</u></b>

**IMMIGRATION EQUALITY  
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**NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**5. LIQUIDITY (Continued)**

The Organizations have a goal to maintain financial assets to meet four months of recurring operating expenses averaged based on the three largest months of operation expenses. For 2019, this amount was \$197,980 per month, or \$791,921 for a four month period. The Organization's goal is to increase financial assets available to meet general expenditures by 5% in 2020.

**6. RETIREMENT PLAN**

Effective May 1, 2018, Immigration Equality adopted a 401(k) plan for all eligible employees who have completed three months of service. Contributions to the plan are at the discretion of employees. Immigration Equality provides a matching contribution equal to 25% of the employee's contribution, up to an amount equal to 1% of the employee's salary. During the year ended December 31, 2019, Immigration Equality contributed \$6,173 to the plan.

**7. SUBSEQUENT EVENTS**

In preparing these combined financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through October 20, 2020, the date the combined financial statements were issued. No subsequent events were noted for disclosure.

In March of 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen that may negatively impact the organizations' operations. The overall potential impact is unknown at this time.

On May 4, 2020, Immigration Equality entered into a two-year promissory note agreement in the amount of \$262,980 with a 1% fixed interest rate under the Paycheck Protection Program. The promissory note calls for monthly principal and interest payments, beginning six months from the date of first disbursement of the note. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part.

**SUPPLEMENTAL INFORMATION**

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**COMBINING SCHEDULE OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2019**

<b>ASSETS</b>				
	<u>Immigration Equality</u>	<u>Immigration Equality Action Fund</u>	<u>Eliminations</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 633,252	\$ 392,905	\$ -	\$ 1,026,157
Accounts receivable	55,011	-	-	55,011
Contributions receivable	321,398	-	-	321,398
Prepaid expenses	55,076	1	-	55,077
Other current assets	631	-	-	631
Due from related party	<u>5,619</u>	<u>-</u>	<u>(5,619)</u>	<u>-</u>
Total current assets	<u>1,070,987</u>	<u>392,906</u>	<u>(5,619)</u>	<u>1,458,274</u>
<b>FIXED ASSETS</b>				
Furniture and equipment	2,798	-	-	2,798
Website development	24,814	-	-	24,814
Leasehold improvements	<u>28,500</u>	<u>-</u>	<u>-</u>	<u>28,500</u>
	56,112	-	-	56,112
Less: Accumulated depreciation and amortization	<u>(31,298)</u>	<u>-</u>	<u>-</u>	<u>(31,298)</u>
Net fixed assets	<u>24,814</u>	<u>-</u>	<u>-</u>	<u>24,814</u>
<b>NONCURRENT ASSETS</b>				
Security deposit	23,929	-	-	23,929
Contributions receivable, net of current portion	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total noncurrent assets	<u>123,929</u>	<u>-</u>	<u>-</u>	<u>123,929</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,219,730</u></b>	<b><u>\$ 392,906</u></b>	<b><u>\$ (5,619)</u></b>	<b><u>\$ 1,607,017</u></b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 84,659	\$ -	\$ -	\$ 84,659
Deferred rent	3,829	-	-	3,829
Due to related party	<u>-</u>	<u>5,619</u>	<u>(5,619)</u>	<u>-</u>
Total liabilities	<u>88,488</u>	<u>5,619</u>	<u>(5,619)</u>	<u>88,488</u>
<b>NET ASSETS</b>				
Without donor restrictions	679,242	387,287	-	1,066,529
With donor restrictions	<u>452,000</u>	<u>-</u>	<u>-</u>	<u>452,000</u>
Total net assets	<u>1,131,242</u>	<u>387,287</u>	<u>-</u>	<u>1,518,529</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,219,730</u></b>	<b><u>\$ 392,906</u></b>	<b><u>\$ (5,619)</u></b>	<b><u>\$ 1,607,017</u></b>



**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Immigration Equality</u>	<u>Immigration Equality Action Fund</u>	<u>Eliminations</u>	<u>Total</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS SUPPORT AND REVENUE</b>				
Contributions	\$ 676,448	\$ 111,073	\$ -	\$ 787,521
Foundation grants	119,385	-	-	119,385
Government grants	30,000	-	-	30,000
In-kind contributions - legal services	28,503,656	-	-	28,503,656
Special events, net of expenses	650,512	(4,161)	-	646,351
Other	8,175	783	-	8,958
Net assets released from donor restrictions	<u>426,645</u>	<u>-</u>	<u>-</u>	<u>426,645</u>
Total net assets without donor restrictions support and revenue	<u>30,414,821</u>	<u>107,695</u>	<u>-</u>	<u>30,522,516</u>
<b>EXPENSES</b>				
Program Services:				
Legal	29,371,424	152	-	29,371,576
Outreach	232,871	498	-	233,369
Advocacy	<u>1,464</u>	<u>1,552</u>	<u>-</u>	<u>3,016</u>
Total program services	<u>29,605,759</u>	<u>2,202</u>	<u>-</u>	<u>29,607,961</u>
Supporting Services:				
Management and General	367,505	9,346	-	376,851
Fundraising	<u>524,048</u>	<u>4,806</u>	<u>-</u>	<u>528,854</u>
Total supporting services	<u>891,553</u>	<u>14,152</u>	<u>-</u>	<u>905,705</u>
Total expenses	<u>30,497,312</u>	<u>16,354</u>	<u>-</u>	<u>30,513,666</u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b><u>\$ (82,491)</u></b>	<b><u>\$ 91,341</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,850</u></b>
<b>NET ASSETS WITH DONOR RESTRICTIONS SUPPORT AND REVENUE</b>				
Foundation grants	\$ 704,062	\$ -	\$ -	\$ 704,062
Net assets released from donor restrictions	<u>(426,645)</u>	<u>-</u>	<u>-</u>	<u>(426,645)</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 277,417</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 277,417</u></b>

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**COMBINING SCHEDULE OF CHANGE IN NET ASSETS  
FOR THE YEAR DECEMBER 31, 2019**

	<b>Immigration Equality</b>	<b>Immigration Equality Action Fund</b>	<b>Eliminations</b>	<b>Total</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Net assets at beginning of year	\$ 761,733	\$ 295,946	\$ -	\$ 1,057,679
Change in net assets without donor restrictions	<u>(82,491)</u>	<u>91,341</u>	<u>-</u>	<u>8,850</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 679,242</u></b>	<b><u>\$ 387,287</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,066,529</u></b>
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>				
Net assets at beginning of year	\$ 174,583	\$ -	\$ -	\$ 174,583
Change in net assets with donor restrictions	<u>277,417</u>	<u>-</u>	<u>-</u>	<u>277,417</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 452,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 452,000</u></b>

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**SCHEDULE OF FUNCTIONAL EXPENSES - IMMIGRATION EQUALITY  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services			Supporting Services			Total Expenses	
	Legal	Outreach	Advocacy	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries	\$ 570,961	\$ 145,858	\$ 516	\$ 717,335	\$ 198,524	\$ 291,086	\$ 489,610	\$ 1,206,945
Payroll taxes, benefits and expenses	122,079	30,727	71	152,877	34,374	55,644	90,018	242,895
Staff training and development	25,254	5,869	10	31,133	6,413	12,834	19,247	50,380
Professional services	-	6,839	-	6,839	66,297	18,004	84,301	91,140
Donated legal services	28,503,656	-	-	28,503,656	-	-	-	28,503,656
Rent	68,247	15,617	30	83,894	15,307	36,459	51,766	135,660
Electricity and utilities	7,035	1,610	3	8,648	1,578	3,758	5,336	13,984
Telephone, fax and internet	5,635	1,287	2	6,924	1,262	3,005	4,267	11,191
Insurance	6,462	1,479	3	7,944	1,449	3,452	4,901	12,845
Postage and shipping	3,088	48	-	3,136	47	1,951	1,998	5,134
Food and refreshments	133	351	-	484	3,927	127,214	131,141	131,625
Office supplies	9,662	2,302	4	11,968	2,081	4,789	6,870	18,838
Computer and management information systems	32,340	7,400	14	39,754	7,253	17,277	24,530	64,284
Travel	2,043	3,703	311	6,057	5,050	2,085	7,135	13,192
Conference	3,150	2,019	-	5,169	7,211	1,730	8,941	14,110
Subscriptions/dues	4,841	280	500	5,621	2,587	4,084	6,671	12,292
Advertising and publicity	-	7,391	-	7,391	-	15,739	15,739	23,130
Bank and finance charges	-	-	-	-	341	16,361	16,702	16,702
Miscellaneous	6,838	91	-	6,929	13,804	26	13,830	20,759
Subtotal	29,371,424	232,871	1,464	29,605,759	367,505	615,498	983,003	30,588,762
Direct costs of special events	-	-	-	-	-	(91,450)	(91,450)	(91,450)
<b>TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES (EXHIBIT B)</b>	<b>\$ 29,371,424</b>	<b>\$ 232,871</b>	<b>\$ 1,464</b>	<b>\$ 29,605,759</b>	<b>\$ 367,505</b>	<b>\$ 524,048</b>	<b>\$ 891,553</b>	<b>\$ 30,497,312</b>

**IMMIGRATION EQUALITY  
IMMIGRATION EQUALITY ACTION FUND**

**SCHEDULE OF FUNCTIONAL EXPENSES - IMMIGRATION EQUALITY ACTION FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Legal	Outreach	Advocacy		Management and General	Fundraising		
Salaries	\$ 139	\$ 251	\$ 1,088	\$ 1,478	\$ 125	\$ 190	\$ 315	\$ 1,793
Payroll taxes, benefits and expenses	13	40	124	177	22	38	60	237
Staff training and development	-	-	15	15	2	4	6	21
Professional services	-	-	-	-	9,188	-	9,188	9,188
Rent	-	-	44	44	5	11	16	60
Electricity and utilities	-	-	5	5	1	1	2	7
Telephone, fax and internet	-	-	4	4	-	1	1	5
Insurance	-	-	4	4	-	1	1	5
Food and refreshments	-	-	-	-	-	14,553	14,553	14,553
Office supplies	-	-	6	6	1	1	2	8
Computer and management information systems	-	-	21	21	2	5	7	28
Travel	-	207	192	399	-	-	-	399
Bank and finance charges	-	-	-	-	-	162	162	162
Miscellaneous	-	-	49	49	-	-	-	49
Subtotal	152	498	1,552	2,202	9,346	14,967	24,313	26,515
Direct costs of special events	-	-	-	-	-	(10,161)	(10,161)	(10,161)
<b>TOTAL EXPENSES REPORTED BY FUNCTION ON THE STATEMENT OF ACTIVITIES (EXHIBIT B)</b>	<b>\$ 152</b>	<b>\$ 498</b>	<b>\$ 1,552</b>	<b>\$ 2,202</b>	<b>\$ 9,346</b>	<b>\$ 4,806</b>	<b>\$ 14,152</b>	<b>\$ 16,354</b>