



AND IMMIGRATION EQUALITY ACTION FUND
COMBINED FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Immigration Equality and Immigration Equality Action Fund, which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Immigration Equality and Immigration Equality Action Fund as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Immigration Equality and Immigration Equality Action Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining schedules of financial position and activities and schedules of functional expenses for Immigration Equality and Immigration Equality Action Fund are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The combining information and schedules of functional expenses has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 combining information and schedules of functional expenses are fairly stated in all material respects in relation to the financial statements as a whole.



Wegner CPAs, LLP
New York, New York
April 18, 2022

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINED STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,678,316	\$ 1,177,460
Unconditional promises to give, current portion	209,749	159,145
Accounts receivable	4,912	31,105
Prepaid expenses	42,370	12,780
Other current assets	631	631
Total current assets	1,935,978	1,381,121
NON-CURRENT ASSETS		
Security deposit	4,745	4,050
Fixed assets and website, net	11,718	19,989
Unconditional promises to give, net of current portion	200,000	-
Total non-current assets	216,463	24,039
Total assets	\$ 2,152,441	\$ 1,405,160
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 56,822	\$ 78,455
Advanced special event contributions	66,100	43,637
Deferred rent	-	5,736
Paycheck Protection Program refundable advance	277,678	-
Total liabilities	400,600	127,828
NET ASSETS		
Without donor restrictions		
Board designated reserve	785,568	728,313
Undesignated	563,773	418,019
Total without donor restrictions	1,349,341	1,146,332
With donor restrictions	402,500	131,000
Total net assets	1,751,841	1,277,332
Total liabilities and net assets	\$ 2,152,441	\$ 1,405,160

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINED STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 995,322	\$ -	\$ 995,322
Foundation grants	345,630	402,500	748,130
In-kind contributions	23,827,468	-	23,827,468
Special event revenue	621,155	-	621,155
Less: costs of direct benefits to donors	(18,849)	-	(18,849)
Proceeds from settlements	102,988	-	102,988
Other income	6,060	-	6,060
Net assets released from restrictions			
Expiration of time restrictions	131,000	(131,000)	-
Total revenue	26,010,774	271,500	26,282,274
EXPENSES			
Program services			
Legal	24,877,245	-	24,877,245
Outreach	254,512	-	254,512
Advocacy	107	-	107
Total program services	25,131,864	-	25,131,864
Supporting activities			
Management and general	232,264	-	232,264
Fundraising	443,637	-	443,637
Total expenses	25,807,765	-	25,807,765
Change in net assets	203,009	271,500	474,509
Net assets at beginning of year	1,146,332	131,000	1,277,332
Net assets at end of year	\$ 1,349,341	\$ 402,500	\$ 1,751,841

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINED STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 638,331	\$ 10,000	\$ 648,331
Foundation grants	113,393	20,000	133,393
Government grants	267,980	-	267,980
In-kind contributions	32,072,511	-	32,072,511
Special event revenue	522,831	-	522,831
Other income	13,955	-	13,955
Net assets released from restrictions			
Expiration of time restrictions	351,000	(351,000)	-
Total revenue	33,980,001	(321,000)	33,659,001
EXPENSES			
Program services			
Legal	33,012,464	-	33,012,464
Outreach	194,386	-	194,386
Advocacy	865	-	865
Total program services	33,207,715	-	33,207,715
Supporting activities			
Management and general	203,951	-	203,951
Fundraising	488,532	-	488,532
Total expenses	33,900,198	-	33,900,198
Change in net assets	79,803	(321,000)	(241,197)
Net assets at beginning of year	1,066,529	452,000	1,518,529
Net assets at end of year	\$ 1,146,332	\$ 131,000	\$ 1,277,332

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021**

	Program Services			Total Program Services	Supporting Activities		Costs of Direct Benefits to Donors	Total Expenses
	Legal	Outreach	Advocacy		Management and General	Fundraising		
Donated legal services	\$ 23,741,533	\$ -	\$ -	\$ 23,741,533	\$ 85,935	\$ -	\$ -	\$ 23,827,468
Salaries	848,957	177,870	93	1,026,920	18,013	305,371	-	1,350,304
Payroll taxes, benefits, and expenses	179,017	36,306	11	215,334	14,485	59,834	-	289,653
Professional services	-	9,608	-	9,608	70,800	-	-	80,408
Rent	15,657	2,792	-	18,449	480	6,514	-	25,443
Computer and management information systems	62,946	11,225	3	74,174	1,929	26,194	-	102,297
Office supplies	2,694	235	-	2,929	243	1,688	-	4,860
Advertising and publicity	-	13,319	-	13,319	-	13,335	-	26,654
Food and refreshments	-	-	-	-	374	19,545	18,849	38,768
Telephone, fax and internet	5,167	773	-	5,940	143	1,802	-	7,885
Insurance	5,245	935	-	6,180	161	2,183	-	8,524
Bank and finance charges	-	-	-	-	11,492	-	-	11,492
Postage and shipping	3,993	125	-	4,118	20	2,489	-	6,627
Subscriptions/dues	7,906	321	-	8,227	3,389	3,274	-	14,890
Miscellaneous	-	-	-	-	12,438	-	-	12,438
Amortization	-	-	-	-	8,271	-	-	8,271
Staff training and development	3,311	696	-	4,007	948	1,378	-	6,333
Conference	695	21	-	716	394	-	-	1,110
Travel	124	286	-	410	2,749	30	-	3,189
Total expenses	24,877,245	254,512	107	25,131,864	232,264	443,637	18,849	25,826,614
Less: cost of direct benefits to donors included in revenue on the statement of activities	-	-	-	-	-	-	18,849	18,849
Total expenses included in the expenses section of the statement of activities	\$ 24,877,245	\$ 254,512	\$ 107	\$ 25,131,864	\$ 232,264	\$ 443,637	\$ -	\$ 25,807,765

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020**

	Program Services			Total Program Services	Supporting Activities		Total Expenses
	Legal	Outreach	Advocacy		Management and General	Fundraising	
Donated legal services	\$ 32,012,472	\$ 7,200	\$ -	\$ 32,019,672	\$ 52,839	\$ -	\$ 32,072,511
Salaries	725,683	121,509	-	847,192	35,628	319,132	1,201,952
Payroll taxes, benefits, and expenses	165,534	29,453	-	194,987	7,855	69,732	272,574
Professional services	-	20,560	-	20,560	77,866	3,570	101,996
Rent	42,524	5,949	-	48,473	1,405	25,312	75,190
Computer and management information systems	16,100	2,252	-	18,352	532	9,584	28,468
Office supplies	13,934	1,630	-	15,564	2,778	9,951	28,293
Advertising and publicity	-	1,514	-	1,514	-	17,603	19,117
Food and refreshments	-	-	-	-	62	15,607	15,669
Telephone, fax and internet	9,094	854	-	9,948	202	3,633	13,783
Insurance	7,177	1,004	-	8,181	238	4,272	12,691
Bank and finance charges	-	-	-	-	11,558	-	11,558
Electricity and utilities	5,572	779	-	6,351	184	3,316	9,851
Postage and shipping	5,720	128	-	5,848	41	3,464	9,353
Subscriptions/dues	4,946	1,124	500	6,570	25	2,234	8,829
Miscellaneous	556	150	-	706	5,810	250	6,766
Amortization	-	-	-	-	4,825	-	4,825
Staff training and development	1,690	230	-	1,920	53	872	2,845
Conference	435	50	-	485	1,663	-	2,148
Travel	1,027	-	365	1,392	387	-	1,779
Total expenses	\$ 33,012,464	\$ 194,386	\$ 865	\$ 33,207,715	\$ 203,951	\$ 488,532	\$ 33,900,198

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 474,509	\$ (241,197)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization	8,271	4,825
(Increase) decrease in assets		
Unconditional promises to give	(250,604)	315,781
Accounts receivable	26,193	(29,622)
Prepaid expenses	(29,590)	42,297
Security deposit	(695)	19,879
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(21,633)	(6,204)
Advanced special event contributions	22,463	43,637
Deferred rent	(5,736)	1,907
Paycheck Protection Program refundable advance	<u>277,678</u>	<u>-</u>
Net change in cash	500,856	151,303
Cash at beginning of year	<u>1,177,460</u>	<u>1,026,157</u>
Cash at end of year	<u><u>\$ 1,678,316</u></u>	<u><u>\$ 1,177,460</u></u>

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Immigration Equality is a national 501(c)(3) not-for-profit 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 Equity 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 Fund are herein collectively referred to as the "Organization".

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give receivable in more than one year are reported at the present value of their net realizable value, using the risk-free interest rate applicable to the years in which the promises to give are to be received, if material.

Accounts Receivable

Accounts receivable primarily represent amounts due for refunds of a canceled event and taxes. Accounts receivable are stated at the amount managements expects to be collected from outstanding balances. As of December 31, 2021 and 2020, management has determined that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Fixed Assets and Website

Fixed assets and website development costs in excess of \$5,000 are capitalized and stated at cost. Purchases of fixed assets and website development are capitalized at cost or, if donated, at their estimated fair value on the date of donation and are considered unrestricted unless the donor has restricted the donated asset for a specific purpose. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets.

Special Events

Payments received for special events are recognized as revenues when the related event occurs. Payments received in advance of the event are recorded as advanced special event contribution liabilities until the event takes place.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, benefits and expenses, rent, electric and utilities, telephone, fax and internet, insurance, postage and shipping, office supplies, and computer and management information systems, which are allocated on the basis of estimates of time and effort. All other expenses are charged based upon the types of services performed and expenses incurred. The program services and supporting activities for 2021 and 2020 were as follows:

Legal – The Organization’s legal program provides pro bono legal services and advocacy for lesbian, gay, bisexual, transgender, queer (LGBTQ) and HIV-positive immigrants and maintains a hotline that provides free, accurate legal advice about complex legal questions to thousands of callers annually. A team of nine experienced immigration lawyers, paralegals, and 1 law clerk answer all hotline inquiries. The Organization and its pro bono program directly represent hundreds of LGBTQ and HIV-positive asylum seekers. The Organization also runs a dedicated hotline for LGBTQ and HIV-positive asylum seekers held in immigration detention facilities, connecting them with direct legal representation or providing them materials for them to prepare their own case in immigration court.

Outreach – The Organization’s communications and public engagement efforts focus on the threats to LGBTQ and HIV-positive people’s safety and equality, and how the government must remedy them. The Organization’s communications team regularly secures state and national level media placements on their issues across print and digital media outlets, television, and radio. More than 20,000 activists, attorneys, faith leaders, and other constituents subscribe to the Organization’s emails and action alerts, and their website has hundreds of thousands of unique visitors per year. They have more than 27,000 Facebook fans, more than 17,000 Twitter followers, and 13,000 Instagram followers.

Advocacy – The Organization advocates against administrative regulations that harm LGBTQ and HIV-positive asylum seekers by submitting public comments, filing complaints with federal agencies, and organizing their supporters to contact these same governmental bodies. The Organization also litigates on behalf of same-sex couples and their families who have been discriminated against by the U.S. government.

Management and General – Includes the activities necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities, and perform other administrative functions.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fundraising – Provides the structure necessary to encourage and secure private financial support from government agencies, individuals, foundations, and others.

Contributions

Contributions that are restricted by the donor 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 contributions with donor restrictions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

The Organization co-counsels with law firms as attorneys for certain cases and, upon a successful ruling, are awarded payments for attorney fees. These fees are recognized at a point in time, when the case decision is final and the associated attorney fees are determined.

Advertising

Advertising costs are charged to operations when the expenses are incurred. Advertising costs total \$26,654 and \$19,117 for the years ended December 31, 2021 and 2020, respectively.

Income Tax Status

Immigration Equality is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Immigration Equality Action Fund is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through April 18, 2022, the date which the financial statements were available to be issued.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 2 – CONCENTRATIONS

The Organization maintains its cash and cash equivalent balances at several financial institutions located in New York, New York. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021 and 2020, the Organization's uninsured cash balances totaled approximately \$79,500 and \$78,000.

During the year ended December 31, 2021, the Organization received 26% of its contributions revenue from one donor and 98% of its promises to give were derived from the same donor.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 209,749	\$ 159,145
Receivable in one to five years	<u>200,000</u>	<u>-</u>
Unconditional promises to give	<u>\$ 409,749</u>	<u>\$ 159,145</u>

NOTE 4 – RETIREMENT PLAN

Effective May 1, 2018, the Organization adopted a 401(k) plan for all eligible employees who have completed three months of service. During 2020 the Organization amended the 401(k) plan to a non-elective 3% Safe Harbor contribution program with no staff contribution required. The contribution was ended in June 2020 due to the COVID downturn and was reinstated in March 2021 including retroactive contributions from 2020 and January to March 2021. During the years ended December 31, 2021 and 2020, the Organization contributed \$41,961 and \$23,082 to the plan.

NOTE 5 – FIXED ASSETS AND WEBSITE

Fixed assets and website consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 2,798	\$ 2,798
Website	24,814	24,814
Less accumulated depreciation and amortization	<u>(15,894)</u>	<u>(7,623)</u>
Fixed assets and website, net	<u>\$ 11,718</u>	<u>\$ 19,989</u>

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 6 – LEASING ARRANGEMENTS

During 2017, the Organization renewed their lease for an additional three-year term, which expired in June 2020. The base rent required under the lease was \$10,930 per month, with an annual escalation of 3% (and a rental abatement of \$10,930 in the first year of the lease). 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 Organization terminated this lease agreement in September 2020 and entered into a one-year agreement for new office space in Brooklyn, New York. Base rent was \$2,700 per month and the agreement includes 3 months of rent abatement. In September 2021, the Organization renewed the lease for another six months. Base rent was \$2,636 per month. Rent expense in the years ended December 31, 2021 and 2020 totaled \$25,443 and \$75,190.

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 statements of financial position. As of December 31, 2020, the deferred rent liability totaled \$5,738. There was no deferred rent liability at December 31, 2021.

Future minimum lease payments total \$5,272 in 2022.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2021 and 2020 were available for use in future periods.

NOTE 8 – DONATED LEGAL SERVICES

The fair values of donated legal services are included in in-kind contributions on the statements of activities. The Organization recognized \$23,741,533 of donated legal services for program activities and \$85,936 of donated consulting and intern services for management and general activities during 2021, and \$32,019,672 of donated legal and intern services for program activities and \$52,839 of donated legal services for management and general activities during 2020.

NOTE 9 – COVID CONSIDERATIONS

The COVID-19 pandemic has impacted and may continue to impact the Organization's operations and employees as a result of restrictions on gathering and travel. Even after the COVID-19 pandemic has subsided, the Organization may continue to experience adverse impacts to its operations as a result of any economic recession or depression that has occurred or may occur in the future, all of which are uncertain and cannot be predicted. Therefore, the Organization cannot reasonably estimate the impact at this time.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 10 – PAYCHECK PROTECTION PROGRAM LOANS

On May 2, 2020, the Organization received a \$262,980 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). During 2021, the SBA preliminarily approved forgiveness of the loan. The Organization must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Organization's good-faith certification concerning the necessity of its loan request, whether the Organization calculated the loan amount correctly, whether the Organization used loan proceeds for the allowable uses specified in the CARES Act, and whether the Organization is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Organization was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance. The Organization accounted for the PPP loan as a government grant in accordance with FASB ASC 958-605.

On February 18, 2021, the Organization received a \$277,678 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by the Organization during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over five years. The Organization is in the process of applying for forgiveness of its loan. Due to the current uncertainty of qualifying expenses incurred, the Organization has recorded the loan as a refundable advance on the accompanying statements of activities. The Organization must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Organization's good-faith certification concerning the necessity of its loan request, whether the Organization calculated the loan amount correctly, whether the Organization used loan proceeds for the allowable uses specified in the CARES Act, and whether the Organization is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Organization was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 11 – LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets as of the dates of the statements of financial position, reduced by amounts not available for general expenditures within one year because of contractual or donor-imposed restrictions or internal board designations. General expenditures are defined as all budgeted programmatic and operational expenses for the subsequent calendar year.

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,678,316	\$ 1,177,460
Unconditional promises to give	409,749	159,145
Accounts receivable	<u>4,912</u>	<u>31,105</u>
Total financial assets at year-end	2,092,977	1,367,710
Less those unavailable for general expenditures within one year, due to:		
Board designated reserve	(785,568)	(728,313)
Restricted by donor for use in future periods	<u>(200,000)</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,107,409</u>	<u>\$ 639,397</u>

The target minimum operating reserve is \$196,392, representing approximately one month of operating expenses, on average. The target minimum long-term reserve is \$589,176, representing approximately three months of operating expenses, on average. The calculation of average monthly operating expenses includes all recurring, predictable expenses such as salaries, payroll taxes, benefits and expenses, rent, office supplies, travel, and ongoing professional services. Depreciation and amortization, donated services, and other non-cash expenses are not included in the calculation. The amount of the reserve fund target minimum will be calculated each year as part of the budgeting process.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINING SCHEDULE OF FINANCIAL POSITION
December 31, 2021

	Immigration Equality	Immigration Equality Action Fund	Eliminations	Combined
ASSETS				
CURRENT ASSETS				
Cash	\$ 1,125,402	\$ 552,914	\$ -	\$ 1,678,316
Unconditional promises to give, current portion	209,749	-	-	209,749
Accounts receivable	7,873	-	(2,961)	4,912
Prepaid expenses	42,370	-	-	42,370
Other current assets	631	-	-	631
Total current assets	1,386,025	552,914	(2,961)	1,935,978
NON-CURRENT ASSETS				
Security deposit	4,745	-	-	4,745
Fixed assets and website, net	11,718	-	-	11,718
Unconditional promises to give, net of current portion	200,000	-	-	200,000
Total non-current assets	216,463	-	-	216,463
Total assets	\$ 1,602,488	\$ 552,914	\$ (2,961)	\$ 2,152,441
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 56,822	\$ 2,961	\$ (2,961)	\$ 56,822
Advanced special event contributions	66,100	-	-	66,100
Paycheck Protection Program refundable advance	277,678	-	-	277,678
Total liabilities	400,600	2,961	(2,961)	400,600
NET ASSETS				
Without donor restrictions	799,388	549,953	-	1,349,341
With donor restrictions	402,500	-	-	402,500
Total net assets	1,201,888	549,953	-	1,751,841
Total liabilities and net assets	\$ 1,602,488	\$ 552,914	\$ (2,961)	\$ 2,152,441

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINING SCHEDULE OF ACTIVITIES
Year Ended December 31, 2021

	Immigration Equality	Immigration Equality Action Fund	Eliminations	Combined
REVENUES				
Contributions	\$ 920,322	\$ 75,000	\$ -	\$ 995,322
Foundation grants	748,130	-	-	748,130
In-kind contributions	23,827,468	-	-	23,827,468
Special event revenue	621,155	-	-	621,155
Less: costs of direct benefits to donors	(16,964)	(1,885)	-	(18,849)
Proceeds from settlements	102,988	-	-	102,988
Other income	5,919	141	-	6,060
	<u>26,209,018</u>	<u>73,256</u>	<u>-</u>	<u>26,282,274</u>
EXPENSES				
Program services				
Legal	24,874,861	2,384	-	24,877,245
Outreach	254,421	91	-	254,512
Advocacy	107	-	-	107
	<u>25,129,389</u>	<u>2,475</u>	<u>-</u>	<u>25,131,864</u>
Supporting activities				
Management and general	232,042	222	-	232,264
Fundraising	441,310	2,327	-	443,637
	<u>25,802,741</u>	<u>5,024</u>	<u>-</u>	<u>25,807,765</u>
Change in net assets	406,277	68,232	-	474,509
Net assets at beginning of year	<u>795,611</u>	<u>481,721</u>	<u>-</u>	<u>1,277,332</u>
Net assets at end of year	<u>\$ 1,201,888</u>	<u>\$ 549,953</u>	<u>\$ -</u>	<u>\$ 1,751,841</u>

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
SCHEDULE OF FUNCTIONAL EXPENSES - IMMIGRATION EQUALITY
Year Ended December 31, 2021

	Program Services			Total Program Services	Supporting Activities		Costs of Direct Benefits to Donors	Total Expenses
	Legal	Outreach	Advocacy		Management and General	Fundraising		
Donated legal services	\$ 23,741,532	\$ -	\$ -	\$ 23,741,532	\$ 85,936	\$ -	\$ -	\$ 23,827,468
Salaries	847,005	177,806	93	1,024,904	17,996	305,103	-	1,348,003
Payroll taxes, benefits, and expenses	178,709	36,297	11	215,017	14,480	59,779	-	289,276
Professional services	-	9,608	-	9,608	70,724	-	-	80,332
Rent	15,636	2,789	-	18,425	480	6,510	-	25,415
Computer and management information systems	62,866	11,214	3	74,083	1,928	26,175	-	102,186
Office supplies	2,691	235	-	2,926	244	1,688	-	4,858
Advertising and publicity	-	13,319	-	13,319	-	13,335	-	26,654
Food and refreshments	-	-	-	-	374	17,566	18,849	36,789
Telephone, fax and internet	5,161	772	-	5,933	143	1,801	-	7,877
Insurance	5,238	934	-	6,172	161	2,182	-	8,515
Bank and finance charges	-	-	-	-	11,492	-	-	11,492
Postage and shipping	3,991	124	-	4,115	20	2,490	-	6,625
Subscriptions/dues	7,906	321	-	8,227	3,389	3,274	-	14,890
Miscellaneous	-	-	-	-	12,313	-	-	12,313
Amortization	-	-	-	-	8,271	-	-	8,271
Staff training and development	3,307	695	-	4,002	948	1,377	-	6,327
Conference	695	21	-	716	394	-	-	1,110
Travel	124	286	-	410	2,749	30	-	3,189
Total expenses	24,874,861	254,421	107	25,129,389	232,042	441,310	18,849	25,821,590
Less: cost of direct benefits to donors included in revenue on the statement of activities	-	-	-	-	-	-	18,849	18,849
Total expenses included in the expenses section of the statement of activities	\$ 24,874,861	\$ 254,421	\$ 107	\$ 25,129,389	\$ 232,042	\$ 441,310	\$ -	\$ 25,802,741

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
SCHEDULE OF FUNCTIONAL EXPENSES - IMMIGRATION EQUALITY ACTION FUND
Year Ended December 31, 2021

	Program Services			Total Program Services	Supporting Activities		Costs of Direct Benefits to Donors	Total Expenses
	Legal	Outreach	Advocacy		Management and General	Fundraising		
Donated legal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	1,957	64	-	2,021	17	263	-	2,301
Payroll taxes, benefits, and expenses	308	10	-	318	3	56	-	377
Professional services	-	-	-	-	76	-	-	76
Rent	20	3	-	23	-	5	-	28
Computer and management information systems	80	11	-	91	1	19	-	111
Office supplies	2	-	-	2	-	-	-	2
Advertising and publicity	-	-	-	-	-	-	-	-
Food and refreshments	-	-	-	-	-	1,979	-	1,979
Telephone, fax and internet	5	1	-	6	-	2	-	8
Insurance	7	1	-	8	-	2	-	10
Bank and finance charges	-	-	-	-	-	-	-	-
Electricity and utilities	-	-	-	-	-	-	-	-
Postage and shipping	1	-	-	1	-	-	-	1
Subscriptions/dues	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	125	-	-	125
Amortization	-	-	-	-	-	-	-	-
Staff training and development	4	1	-	5	-	1	-	6
Conference	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Total expenses	2,384	91	-	2,475	222	2,327	-	5,024
Less: cost of direct benefits to donors included in revenue on the statement of activities	-	-	-	-	-	-	-	-
Total expenses included in the expenses section of the statement of activities	\$ 2,384	\$ 91	\$ -	\$ 2,475	\$ 222	\$ 2,327	\$ -	\$ 5,024