



AND IMMIGRATION EQUALITY ACTION FUND
COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

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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, 2022 and 2021, 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, 2022 and 2021, 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.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Immigration Equality and Immigration Equality Action Fund adopted the Financial Accounting Standards Board's Accounting Standards Update No 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective January 1, 2022. Our opinion is not modified with respect to this matter.

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

Wegner CPAs, LLP
New York, New York
October 13, 2023

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,630,567	\$ 1,678,316
Unconditional promises to give, current portion	301,200	209,749
Employee Retention Tax Credit receivable	243,575	-
Accounts receivable	13,632	4,912
Prepaid expenses	41,969	42,370
Other current assets	631	631
Total current assets	<u>2,231,574</u>	<u>1,935,978</u>
NON-CURRENT ASSETS		
Security deposit	4,745	4,745
Fixed assets and website, net	3,447	11,718
Unconditional promises to give, net, less current portion	<u>75,000</u>	<u>200,000</u>
Total non-current assets	<u>83,192</u>	<u>216,463</u>
Total assets	<u><u>\$ 2,314,766</u></u>	<u><u>\$ 2,152,441</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 63,951	\$ 56,822
Advanced special event contributions	35,000	66,100
Paycheck Protection Program loan payable	<u>-</u>	<u>277,678</u>
Total liabilities	98,951	400,600
NET ASSETS		
Without donor restrictions		
Board designated reserve	908,540	785,568
Undesignated	<u>932,275</u>	<u>563,773</u>
Total without donor restrictions	1,840,815	1,349,341
With donor restrictions	<u>375,000</u>	<u>402,500</u>
Total net assets	<u>2,215,815</u>	<u>1,751,841</u>
Total liabilities and net assets	<u><u>\$ 2,314,766</u></u>	<u><u>\$ 2,152,441</u></u>

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
COMBINED STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 823,841	\$ 175,000	\$ 998,841
Foundation grants	230,850	-	230,850
Government grants	9,993	-	9,993
Paycheck Protection Program	277,678	-	277,678
Employee Retention Tax Credit	447,165	-	447,165
In-kind contributions	28,300,294	-	28,300,294
Special event revenue	707,673	-	707,673
Less: costs of direct benefits to donors	(88,010)	-	(88,010)
Other income	8,116	-	8,116
Net assets released from restrictions			
Expiration of time restrictions	202,500	(202,500)	-
Total revenues	30,920,100	(27,500)	30,892,600
EXPENSES			
Program services			
Legal	29,517,947	-	29,517,947
Outreach	278,949	-	278,949
Advocacy	629	-	629
Total program services	29,797,525	-	29,797,525
Supporting activities			
Management and general	199,840	-	199,840
Fundraising	431,261	-	431,261
Total expenses	30,428,626	-	30,428,626
Change in net assets	491,474	(27,500)	463,974
Net assets at beginning of year	1,349,341	402,500	1,751,841
Net assets at end of year	\$ 1,840,815	\$ 375,000	\$ 2,215,815

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 revenues	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 FUNCTIONAL EXPENSES
Year Ended December 31, 2022**

	Program Services			Supporting Activities			Costs of Direct Benefits to Donors	Total Expenses
	Legal	Outreach	Advocacy	Total Program Services	Management and General	Fundraising		
Donated legal and consulting services	\$ 28,273,114	\$ -	\$ -	\$ 28,273,114	\$ 27,180	\$ -	\$ -	\$ 28,300,294
Salaries	886,570	200,399	510	1,087,479	39,866	258,953	-	1,386,298
Payroll taxes and benefits	206,819	40,145	119	247,083	19,328	61,286	-	327,697
Professional services	-	4,697	-	4,697	70,275	-	-	74,972
Rent	21,597	5,021	-	26,618	689	6,713	-	34,020
Computer and management information systems	55,479	12,899	-	68,378	1,770	17,306	-	87,454
Office supplies	4,597	834	-	5,431	147	1,583	-	7,161
Advertising and publicity	27	3,250	-	3,277	-	14,604	-	17,881
Food and refreshments	154	61	-	215	1,040	48,340	88,010	137,605
Telephone, fax and internet	4,093	888	-	4,981	122	1,212	-	6,315
Insurance	8,539	1,985	-	10,524	272	2,654	-	13,450
Bank and finance charges	-	-	-	-	12,330	-	-	12,330
Postage and shipping	3,434	113	-	3,547	13	539	-	4,099
Subscriptions/dues	6,772	118	-	6,890	3,209	2,203	-	12,302
Miscellaneous	9,608	1,076	-	10,684	9,258	117	-	20,059
Amortization	-	-	-	-	8,271	-	-	8,271
Staff training and development	30,099	7,149	-	37,248	1,599	9,356	-	48,203
Conference	4,254	-	-	4,254	888	-	-	5,142
Travel	2,791	314	-	3,105	3,583	6,395	-	13,083
Total expenses	29,517,947	278,949	629	29,797,525	199,840	431,261	88,010	30,516,636
Less: cost of direct benefits to donors included in revenue on the statement of activities	-	-	-	-	-	-	(88,010)	(88,010)
Total expenses included in the expenses section of the statement of activities	\$ 29,517,947	\$ 278,949	\$ 629	\$ 29,797,525	\$ 199,840	\$ 431,261	\$ -	\$ 30,428,626

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 and consulting 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 and benefits	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 STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 463,974	\$ 474,509
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization	8,271	8,271
Forgiveness of Paycheck Protection Program loan payable	(277,678)	-
(Increase) decrease in assets		
Unconditional promises to give	33,549	(250,604)
Employee Retention Tax Credit receivable	(243,575)	-
Accounts receivable	(8,720)	26,193
Prepaid expenses	401	(29,590)
Security deposit	-	(695)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	7,129	(21,633)
Advanced special event contributions	(31,100)	22,463
Deferred rent	-	(5,736)
Net cash flows from operating activities	(47,749)	223,178
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan payable	-	277,678
Net change in cash	(47,749)	500,856
Cash at beginning of year	1,678,316	1,177,460
Cash at end of year	<u>\$ 1,630,567</u>	<u>\$ 1,678,316</u>
SUPPLEMENTAL DISCLOSURES		
Noncash financing activities		
Paycheck Protection Program loan forgiveness	\$ 277,678	\$ -

See accompanying notes.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

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 Action 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, reimbursements, as well as taxes. Accounts receivable are stated at the amount managements expects to be collected from outstanding balances. As of December 31, 2022 and 2021, 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 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 and amortization are computed using the straight-line method over the estimated useful lives of the individual assets.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 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 2022 and 2021 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 its 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 its website has hundreds of thousands of unique visitors per year. The Organization has 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.

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

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 combined statements of activities as net assets released from restrictions.

Proceeds from Settlements

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.

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.

Leases

The Organization does not recognize short-term leases in the combined statements of financial position. For these leases, the Organization recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. The Organization also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, the Organization uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Advertising

Advertising costs are charged to operations when the expenses are incurred. Advertising costs total \$17,881 and \$26,654 for the years ended December 31, 2022 and 2021, 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.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 October 13, 2023, the date which the financial statements were available to be issued.

Adoption of New Accounting Guidance

On September 17, 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07. *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intent of this Update is to improve transparency in the reporting of contributed nonfinancial assets (also known as in-kind contributions) received by not-for-profit entities. The Update requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the combined statement of activities, apart from contributions of cash and other financial assets. The Update also requires enhanced disclosures about the valuation of contributed nonfinancial assets and their use in programs and other activities, including any donor-imposed restriction on such use. The Organization adopted the requirements of this update effective January 1, 2022. The changes required by this Update have been applied retrospectively to all periods presented.

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, 2022 and 2021, the Organization’s uninsured cash balances totaled approximately \$223,500 and \$79,500.

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 – RETIREMENT PLAN

The Organization has a non-elective 3% Safe Harbor contribution 401(k) plan for all eligible employees who have completed three months of service. During the years ended December 31, 2022 and 2021, the Organization contributed \$34,994 and \$41,961 to the plan.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 4 – UNCONDITIONAL PROMISES TO GIVE

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

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 301,200	\$ 209,749
Receivable in one to five years	<u>100,000</u>	<u>200,000</u>
Unconditional promises to give	401,200	409,749
Less: allowance for uncollectible promises to give	<u>(25,000)</u>	<u>-</u>
Unconditional promises to give, net	<u>\$ 376,200</u>	<u>\$ 409,749</u>

NOTE 5 – FIXED ASSETS AND WEBSITE

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

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 2,798	\$ 2,798
Website	24,814	24,814
Less accumulated depreciation and amortization	<u>(24,165)</u>	<u>(15,894)</u>
Fixed assets and website, net	<u>\$ 3,447</u>	<u>\$ 11,718</u>

NOTE 6 – LEASING ARRANGEMENTS

The Organization rents office space with terms of twelve months or less through March 2023. Rent expense in the years ended December 31, 2022 and 2021 totaled \$34,020 and \$25,443.

Future minimum lease payments total \$5,994 in 2023.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022 and 2021 were available for use in future periods.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 8 – IN-KIND CONTRIBUTIONS

The fair values of donated legal and consulting services are included in in-kind contributions on the combined statements of activities. The Organization recognized \$28,273,114 of donated legal services for program activities and \$27,180 of donated consulting and intern services for management and general activities during 2022, and \$23,741,533 of donated legal services for program activities and \$85,935 of donated consulting and intern services for management and general activities during 2021.

Unless otherwise noted, the in-kind contributions did not have donor-imposed restrictions. The donated legal, consulting, and intern services are recorded at the estimated fair market value of hourly rates charged.

NOTE 9 – PAYCHECK PROTECTION PROGRAM LOANS

The Organization received loans totaling \$540,658 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 loans accrue 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. On December 9, 2020, the SBA preliminarily approved forgiveness of the Organization's first draw loan. On July 5, 2022, the SBA preliminarily approved forgiveness of the Organization's second draw loan. Loan forgiveness is recognized as Paycheck Protection Program revenue on the accompanying combined 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.

NOTE 10 – EMPLOYEE RETENTION TAX CREDIT

During the year ended December 31, 2022, the Organization claimed Employee Retention Tax Credits (ERTC) totaling \$447,165 under the provisions the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERTC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. The Organization determined it had a significant decline in gross receipts and partial suspension of operations and claimed the ERTC for the last three calendar quarters of 2020 and the first three calendar quarters of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERTC claim is filed to audit the claim. Therefore, the IRS may audit the Organization's eligibility for the ERTC and its substantiation of the amounts claimed. If the IRS determines the Organization was ineligible for the ERTC, the Organization could be required to repay the amount claimed along with penalties and interest.

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 11 – LIQUIDITY AND AVAILABILITY

The following represents the Organization’s financial assets as of the dates of the combined 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.

	2022	2021
Cash	\$ 1,630,567	\$ 1,678,316
Unconditional promises to give	376,200	409,749
Accounts receivable	13,632	4,912
 Total financial assets at year-end	 2,020,399	 2,092,977
 Less those unavailable for general expenditures within one year, due to:		
Board designated reserve	(908,540)	(785,568)
Restricted by donor for use in future periods or for a particular purpose	(375,000)	(400,000)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 736,859	 \$ 907,409

The target minimum operating reserve is \$227,135, representing approximately one month of operating expenses, on average. The target minimum long-term reserve is \$681,405, 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, 2022

	Immigration Equality	Immigration Equality Action Fund	Eliminations	Combined
ASSETS				
CURRENT ASSETS				
Cash	\$ 1,095,657	\$ 534,910	\$ -	\$ 1,630,567
Unconditional promises to give, current portion	301,200	-	-	301,200
Employee Retention Tax Credit receivable	243,575	-	-	243,575
Accounts receivable	19,400	-	(5,768)	13,632
Prepaid expenses	41,969	-	-	41,969
Other current assets	631	-	-	631
Total current assets	1,702,432	534,910	(5,768)	2,231,574
NON-CURRENT ASSETS				
Security deposit	4,745	-	-	4,745
Fixed assets and website, net	3,447	-	-	3,447
Unconditional promises to give, net, less current portion	75,000	-	-	75,000
Total non-current assets	83,192	-	-	83,192
Total assets	\$ 1,785,624	\$ 534,910	\$ (5,768)	\$ 2,314,766
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 63,949	\$ 5,770	\$ (5,768)	\$ 63,951
Advanced special event contributions	35,000	-	-	35,000
Total liabilities	98,949	5,770	(5,768)	98,951
NET ASSETS				
Without donor restrictions	1,311,675	529,140	-	1,840,815
With donor restrictions	375,000	-	-	375,000
Total net assets	1,686,675	529,140	-	2,215,815
Total liabilities and net assets	\$ 1,785,624	\$ 534,910	\$ (5,768)	\$ 2,314,766

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND
COMBINING SCHEDULE OF ACTIVITIES
Year Ended December 31, 2022**

	Immigration Equality	Immigration Equality Action Fund	Eliminations	Combined
REVENUES				
Contributions	\$ 998,841	\$ -	\$ -	\$ 998,841
Foundation grants	230,850	-	-	230,850
Government grants	9,993	-	-	9,993
Paycheck Protection Program	277,678	-	-	277,678
Employee Retention Tax Credit	447,165	-	-	447,165
In-kind contributions	28,300,294	-	-	28,300,294
Special event revenue	707,673	-	-	707,673
Less: costs of direct benefits to donors	(79,206)	(8,804)	-	(88,010)
Other income	7,434	682	-	8,116
Total revenues	30,900,722	(8,122)	-	30,892,600
EXPENSES				
Program services				
Legal	29,513,181	4,766	-	29,517,947
Outreach	278,949	-	-	278,949
Advocacy	-	629	-	629
Total program services	29,792,130	5,395	-	29,797,525
Supporting activities				
Management and general	197,669	2,171	-	199,840
Fundraising	426,136	5,125	-	431,261
Total expenses	30,415,935	12,691	-	30,428,626
Change in net assets	484,787	(20,813)	-	463,974
Net assets at beginning of year	1,201,888	549,953	-	1,751,841
Net assets at end of year	\$ 1,686,675	\$ 529,140	\$ -	\$ 2,215,815

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
SCHEDULE OF FUNCTIONAL EXPENSES - IMMIGRATION EQUALITY
Year Ended December 31, 2022

	Program Services			Total Program Services	Supporting Activities		Costs of Direct Benefits to Donors	Total Expenses
	Legal	Outreach	Advocacy		Management and General	Fundraising		
Donated legal and consulting services	\$ 28,273,114	\$ -	\$ -	\$ 28,273,114	\$ 27,180	\$ -	\$ -	\$ 28,300,294
Salaries	882,797	200,399	-	1,083,196	39,823	258,288	-	1,381,307
Payroll taxes and benefits	206,161	40,145	-	246,306	19,320	61,166	-	326,792
Professional services	-	4,697	-	4,697	68,334	-	-	73,031
Rent	21,538	5,021	-	26,559	689	6,702	-	33,950
Computer and management information systems	55,327	12,899	-	68,226	1,766	17,283	-	87,275
Office supplies	4,589	834	-	5,423	147	1,583	-	7,153
Advertising and publicity	27	3,250	-	3,277	-	14,604	-	17,881
Food and refreshments	154	61	-	215	1,040	44,055	88,010	133,320
Telephone, fax and internet	4,083	888	-	4,971	122	1,210	-	6,303
Insurance	8,516	1,985	-	10,501	272	2,649	-	13,422
Bank and finance charges	-	-	-	-	12,330	-	-	12,330
Postage and shipping	3,434	113	-	3,547	13	539	-	4,099
Subscriptions/dues	6,772	118	-	6,890	3,209	2,203	-	12,302
Miscellaneous	9,608	1,076	-	10,684	9,083	117	-	19,884
Amortization	-	-	-	-	8,271	-	-	8,271
Staff training and development	30,016	7,149	-	37,165	1,599	9,342	-	48,106
Conference	4,254	-	-	4,254	888	-	-	5,142
Travel	2,791	314	-	3,105	3,583	6,395	-	13,083
Total expenses	29,513,181	278,949	-	29,792,130	197,669	426,136	88,010	30,503,945
Less: cost of direct benefits to donors included in revenue on the statement of activities	-	-	-	-	-	-	(88,010)	(88,010)
Total expenses included in the expenses section of the statement of activities	\$ 29,513,181	\$ 278,949	\$ -	\$ 29,792,130	\$ 197,669	\$ 426,136	\$ -	\$ 30,415,935

**IMMIGRATION EQUALITY AND
IMMIGRATION EQUALITY ACTION FUND**
SCHEDULE OF FUNCTIONAL EXPENSES - IMMIGRATION EQUALITY ACTION FUND
Year Ended December 31, 2022

	Program Services			Total Program Services	Supporting Activities		Costs of Direct Benefits to Donors	Total Expenses
	Legal	Outreach	Advocacy		Management and General	Fundraising		
Salaries	\$ 3,773	\$ -	\$ 510	\$ 4,283	\$ 43	\$ 665	\$ -	\$ 4,991
Payroll taxes and benefits	658	-	119	777	8	120	-	905
Professional services	-	-	-	-	1,941	-	-	1,941
Rent	59	-	-	59	-	11	-	70
Computer and management information systems	152	-	-	152	4	23	-	179
Office supplies	8	-	-	8	-	-	-	8
Food and refreshments	-	-	-	-	-	4,285	-	4,285
Telephone, fax and internet	10	-	-	10	-	2	-	12
Insurance	23	-	-	23	-	5	-	28
Miscellaneous	-	-	-	-	175	-	-	175
Staff training and development	83	-	-	83	-	14	-	97
Total expenses	4,766	-	629	5,395	2,171	5,125	-	12,691
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	\$ 4,766	\$ -	\$ 629	\$ 5,395	\$ 2,171	\$ 5,125	\$ -	\$ 12,691