

# **NILC IMMIGRANT JUSTICE FUND**

(A California Nonprofit Public Benefit Corporation)

## **FINANCIAL STATEMENTS**

**June 30, 2021**

*(With Comparative Totals for the  
Year Ended June 30, 2020)*



**Gurseley | Schneider** LLP  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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## **Independent Auditor's Report**

To the Board of Directors  
NILC Immigrant Justice Fund  
Los Angeles, California

We have audited the accompanying financial statements of NILC Immigrant Justice Fund (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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



## Opinion

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the financial position of NILC Immigrant Justice Fund as of June 30, 2021, and the changes in its net assets and its 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 NILC Immigrant Justice Fund's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gursey | Schneider LLP*

March 4, 2022  
Los Angeles, California

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Statements of Financial Position  
June 30, 2021 and 2020

	2021	2020
<b><u>ASSETS</u></b>		
Cash	\$ 1,137,840	\$ 794,995
Grants receivable	-	30,270
<b>TOTAL ASSETS</b>	<b>\$ 1,137,840</b>	<b>\$ 825,265</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable and other accrued liabilities	\$ 25,361	\$ 103,149
Related party payable, net	143,744	231,137
TOTAL LIABILITIES	169,105	334,286
<b>NET ASSETS</b>		
Without donor restrictions	202,686	104,004
With donor restrictions	766,049	386,975
TOTAL NET ASSETS	968,735	490,979
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,137,840</b>	<b>\$ 825,265</b>

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Statements of Activities and Changes in Net Assets  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUES AND SUPPORT</b>				
Grants	\$ 620,000	\$ 1,370,000	\$ 1,990,000	\$ 1,350,000
Contributions	387,290	-	387,290	104,983
Attorney fees and other income	5,041	-	5,041	-
Special event income, net of \$18,944 direct costs for 2020	-	-	-	6,056
Subtotal	1,012,331	1,370,000	2,382,331	1,461,039
Net assets released from restrictions	990,926	(990,926)	-	-
<b>Total Revenues and Support</b>	<b>2,003,257</b>	<b>379,074</b>	<b>2,382,331</b>	<b>1,461,039</b>
<b>EXPENSES</b>				
Program services	1,590,215	-	1,590,215	1,162,768
Management and general	124,014	-	124,014	78,138
Fundraising	190,346	-	190,346	126,680
<b>Total Expenses</b>	<b>1,904,575</b>	<b>-</b>	<b>1,904,575</b>	<b>1,367,586</b>
<b>CHANGE IN NET ASSETS</b>	<b>98,682</b>	<b>379,074</b>	<b>477,756</b>	<b>93,453</b>
<b>NET ASSETS, Beginning of Year</b>	<b>104,004</b>	<b>386,975</b>	<b>490,979</b>	<b>397,526</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 202,686</b>	<b>\$ 766,049</b>	<b>\$ 968,735</b>	<b>\$ 490,979</b>

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Statements of Functional Expenses  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	2021			2020	
	Program	Management and General	Fundraising	Total	Total
<u>Personnel:</u>					
Salaries	\$ 431,441	\$ 42,522	\$ 131,387	\$ 605,350	\$ 511,936
Benefits and payroll taxes	88,825	19,360	16,444	124,629	105,841
Total personnel costs	<u>520,266</u>	<u>61,882</u>	<u>147,831</u>	<u>729,979</u>	<u>617,777</u>
<u>Other Operating Expenses:</u>					
Accounting	-	23,670	-	23,670	20,159
Bank and payroll fees	151	478	-	629	844
Board support	-	-	-	-	352
Communications	6,480	-	392	6,872	4,066
Conferences and meetings	-	-	-	-	8,750
Consultants and contract services	686,913	5,200	-	692,113	473,521
Donation fees	-	-	5,855	5,855	1,542
Insurance	-	5,987	-	5,987	5,030
Legal	-	9,378	-	9,378	9,409
Library	-	-	-	-	350
Marketing	325,120	-	-	325,120	71,724
Postage and shipping	-	150	-	150	-
Rent	35,749	3,524	10,887	50,160	61,816
Software	236	697	9,836	10,769	-
Staff meeting and retreats	100	-	-	100	702
Subgrants	15,000	-	-	15,000	46,500
Supplies	-	-	-	-	18,266
Taxes and licenses	-	10	15,545	15,555	3,385
Telecommunications	-	12,627	-	12,627	8,595
Travel	200	-	-	200	14,711
Total other operating expenses	<u>1,069,949</u>	<u>62,132</u>	<u>42,515</u>	<u>1,174,596</u>	<u>749,809</u>
Total Functional Expenses (2021)	<u>\$ 1,590,215</u>	<u>\$ 124,014</u>	<u>\$ 190,346</u>	<u>\$ 1,904,575</u>	
<i>% of Total Expenses</i>	<u>83%</u>	<u>7%</u>	<u>10%</u>	<u>100%</u>	
Total Functional Expenses (2020)	<u>\$ 1,162,768</u>	<u>\$ 78,138</u>	<u>\$ 126,680</u>		<u>\$ 1,367,586</u>
<i>% of Total Expenses</i>	<u>85%</u>	<u>6%</u>	<u>9%</u>		<u>100%</u>

See Accompanying Notes to Financial Statements

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Statements of Cash Flows  
For the Years Ended June 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 477,756	\$ 93,453
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Grants receivable	30,270	(28,184)
Prepaid expenses	-	250
Increase (decrease) in liabilities:		
Accounts payable and other accrued liabilities	(77,788)	97,980
Deferred revenues	-	(17,500)
Related party payable	(87,393)	203,361
	342,845	349,360
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	342,845	349,360
<b>CASH, Beginning of Year</b>	794,995	445,635
<b>CASH, End of Year</b>	\$ 1,137,840	\$ 794,995

See Accompanying Notes to Financial Statements



**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 1 – NATURE OF ORGANIZATION**

Established in 2013 as the 501(c)(4) affiliate of the National Immigration Law Center (“NILC”), the NILC Immigrant Justice Fund’s (“IJF” or the “Organization”) mission is focused on building immigrant power and advancing effective and fair immigration policy through civic engagement campaigns. IJF relies on its extensive connections with advocacy groups nationwide, advocacy experience, expertise on issues that affect immigrants’ daily lives, and distinctive use of policy, legal, and communications strategies to ensure that immigrants’ rights advocates have a powerful impact on the shape and nature of immigration reform policies that come under consideration in Congress and in states and localities across the country.

Highlights of recent IJF accomplishments include:

- Groundbreaking project focusing on the 2020 presidential elections cycle, providing tested, pro-immigrant messages to persuadable voters in key battleground states, as well as to political candidates and elected officials. Using this foundational messaging work, IJF analyzed primary candidates’ immigration policy platforms, provided feedback on their immigration policy platforms, and demonstrated to elected officials throughout election debates that immigrants are valuable political constituency, essential to the future stability and vitality of the country. IJF delivered more than 11.3 million digital ads with pro-immigrant messages in three priority states — Wisconsin, Arizona, and North Carolina — reaching over 130,000 voters. The 800+ volunteer IJF Vote Team also contacted nearly 100,000 persuadable voters in those target states with peer-to-peer texts using tested messages. In Wisconsin and Arizona, the number of voters IJF connected with was larger than the final margin of victory for Joe Biden in both states.
- Scenario planning to refine post-election strategies, outlining legislative advocacy priorities that the organization could move forward based on various election result scenarios. Throughout the year, IJF coordinated with allies to advocate for federal immigration reforms that would provide expansive pathways to citizenship for the estimated 11 million undocumented immigrants in the U.S. This included advocating for improvements to proposed bills to remove harmful criminalizing provisions and barriers to immigrants’ access to health care and the safety net, executing targeted digital advocacy efforts, and raising visibility of important legislative efforts.
- Strategizing for the 2022 midterm elections based on the successful efforts of the IJF’s 2020 Project, which included political messaging research and targeted voter outreach. This included exploring the states in which to execute additional campaign activities, exploring various narratives and messaging frameworks for polling and research, and assessing the political landscape to determine the IJF’s 2022 target states and priorities.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** – The accompanying financial statements are presented on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Classes of Net Assets** – IJF recognizes contributions, including unconditional promises to give, as revenue in the period in which they are received. Revenues, gains, expenses, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of IJF and changes therein are classified and reported by net asset class as follows:

- *Without Donor Restrictions* – Net assets that are not subject to donor-imposed stipulations, including gifts with no donor restriction and current funds without donor restriction. They may be expendable for any purpose in conducting the Organization's mission.
- *With Donor Restrictions* – Net assets that are subject to donor-imposed stipulations that limit the use of their contributions. Donor restrictions may result in temporarily restricted net assets, where the use of contributions is limited by donor-imposed restrictions that either expire by the passage of time and / or by actions of the organization. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. Donor restrictions may also result in permanently restricted net assets, where the donor stipulations neither expire by the passage of time nor can be fulfilled or otherwise removed by the Organization's actions. The Organization has donor-restricted support to provide funding for various programs. Note 5 includes a schedule that summarizes changes in donor-restricted net assets for the year ended June 30, 2021.

**Pledges and Grants Receivable** – Unconditional promises to give, including grants recorded at estimated fair value, are recognized as revenues in the period received. IJF reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. Discounts for grants (grants due over one year) are recorded as reductions to contribution revenue and grants receivable. Discounts increase contribution revenue when the grant is received.

**Revenue Recognition** – Contributions and pledges are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions and pledges are recorded at their fair value as unrestricted support, temporarily restricted support, or permanently restricted support, depending on the absence or existence of donor-imposed restrictions as applicable. When a restriction expires (that is, when a stipulated restriction ends or purpose restriction is accomplished), donor-restricted net assets are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions.

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Fair Value of Financial Instruments** – Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 820, "*Fair Value Measurements and Disclosures*" ("ASC 820"), applies to all assets and liabilities that are recognized or disclosed at fair value on a recurring basis. ASC 820 defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. In addition to defining fair value, ASC 820 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs.

The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

In general, and where applicable, the Organization uses quoted prices in active markets for identical assets to determine fair value. If quoted prices in active markets for identical assets are not available to determine fair value, then they use quoted prices for similar assets or inputs other than the quoted prices that are observable either directly or indirectly. The Organization's cash is a Level 1 financial instrument.

**Concentration of Credit Risks –**

*Contribution Revenues* – For the year ended June 30, 2021 and 2020, 58% and 72% of total revenues were received from two donors.

*Financial instruments* – Financial instruments that potentially expose the Organization to concentrations of credit risk consist of cash. The Organization maintains its bank accounts at high-credit quality financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times, cash in these accounts may exceed the insured amounts.

**Income Taxes** – The Organization is exempt from taxation under IRC Section 501(c)(4) and California Revenue and Taxation Code Section 23701(d). In accordance with FASB ASC Topic No. 740, "*Income Taxes*," the Organization recognized the impact of tax positions in the financial statements if those positions will more likely than not be sustained on audit, based on the technical merits of the position. The Organization is exempt from income taxes but is subject to unrelated business income tax for income from operating activities not related to their exempt purpose. Unrelated business income is taxed based on the applicable statutory federal and state income tax rates for for-profit organizations. During the year ended June 30, 2021, IJF estimates it will not be subject to tax related unrelated business income. The Organization has no recognized / derecognized tax benefits or tax penalties or interest. The Organization's income tax returns remain subject to examination for all tax years ended on or after June 30, 2018 with regard to all tax positions and results reported.

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**Contributed Goods and Services** – Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation are recorded at fair value. Some unpaid volunteers have made contributions of their time to the Organization. However, the value of these services is not reflected in these financial statements because the criteria for recognition have not been satisfied.

**Functional Allocation of Expenses** – The costs of providing programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit, based on estimates determined by management. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred, and occupancy related costs are allocated based on office space utilization.

**Subsequent events** – Subsequent events have been evaluated through March 4, 2022, which is the date the financial statements were available to be issued.

**NOTE 3 – RELATED PARTY TRANSACTIONS**

The Organization and the National Immigration Law Center (NILC) entered into a Resource Sharing Agreement for the reasonable allocation between the parties of the expenses associated with the use of shared resources. The parties share office space, furniture and equipment, and certain human resources.

NILC also pays other expenses on behalf of IJF, which are reimbursed by IJF on a direct-allocation basis. During the years ended June 30, 2021 and 2020, the Organization was charged \$831,990 and \$763,367, respectively for shared resources.

During the fiscal years ended June 30, 2021, and 2020, NILC awarded IJF funds for operational expenses. The total amount awarded was \$1,095,000 and \$900,000, respectively.

Amounts between NILC and IJF are settled on a current basis.

At the end of the fiscal years ended June 30, 2021 and 2020, IJF owed NILC \$143,744 and \$231,137, respectively for shared resources. Unpaid amounts between IJF and NILC are unsecured, bear interest at 0.5% per month, and are settled during the ordinary course of business.

**NILC IMMIGRANT JUSTICE FUND**  
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Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 4 – LIQUIDITY AND AVAILABLE RESOURCES**

Financial assets consist of the Organization's cash. The schedule below summarizes the Organization's financial assets that are available to meet cash needs for general expenditures within one year as of June 30, 2021. Financial assets are considered unavailable if not liquid or convertible within one year.

Cash	\$ 1,137,840
Less: amounts restricted by donors	<u>(766,049)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 371,791</u>

Substantially all expenditures are directed towards specific programs or initiatives. Such programs or initiatives are only undertaken when funds have been committed.

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

*Temporarily Restricted Net Assets* – Changes in temporarily restricted net assets were as follows:

	Available at June 30, 2020	New Grants	Expenditures / Releases from Restriction	Available at June 30, 2021
WITS Campaign	\$ 6,079	\$ -	\$ (6,079)	\$ -
General Support	68,886	1,095,000	(588,254)	575,632
NMBE Campaign	157,010	-	(157,010)	-
Capacity Building Partnership	30,000	-	-	30,000
Time Restricted Grants	125,000	275,000	(239,583)	160,417
Total	<u>\$ 386,975</u>	<u>\$ 1,370,000</u>	<u>\$ (990,926)</u>	<u>\$ 766,049</u>

**NOTE 6 – CONTINGENCIES**

**Global Pandemic and Contingency** – The coronavirus pandemic is an ongoing global pandemic of Coronavirus disease (COVID-19). As a result, public health responses around the world have included travel restrictions, quarantines, school and nonessential workplace closures, event cancellations, and other quarantine-related restrictions.

Management is complying with all required health and safety requirements and has shifted to a remote office setting to continue providing services as necessary and appropriate. While disruption is currently expected to be temporary, there is uncertainty around the duration.

The Organization is in a strong financial position to continue its mission throughout the pandemic. The related monetary impact of this matter and other effects of the global pandemic cannot be reasonably estimated at this time.