

**NILC IMMIGRANT JUSTICE FUND**

(A California Nonprofit Public Benefit Corporation)

**FINANCIAL STATEMENTS**

**June 30, 2022**

*(With Comparative Totals for the  
Year Ended June 30, 2021)*



Gurseley | Schneider <sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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## **Independent Auditor's Report**

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

### **Opinion**

We have audited the financial statements of NILC Immigrant Justice Fund (the "Organization"), which comprise the statement of financial position as of June 30, 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, 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.

### **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 the Organization 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gursey | Schneider LLP*

February 23, 2023  
Los Angeles, California

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Statements of Financial Position  
June 30, 2022 and 2021

	2022	2021
<b><u>ASSETS</u></b>		
Cash	\$ 1,409,400	\$ 1,137,840
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable and other accrued liabilities	\$ 19,020	\$ 25,361
Related party payable, net	506,488	143,744
TOTAL LIABILITIES	525,508	169,105
<b>NET ASSETS</b>		
Without donor restrictions	306,857	202,686
With donor restrictions	577,035	766,049
TOTAL NET ASSETS	883,892	968,735
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,409,400</b>	<b>\$ 1,137,840</b>

See Accompanying Notes to Financial Statements

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Statements of Activities and Changes in Net Assets  
For the Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUES AND SUPPORT</b>				
Grants	\$ -	\$ 1,250,000	\$ 1,250,000	\$ 1,990,000
Contributions	35,463	-	35,463	387,290
Attorney fees and other income	-	-	-	5,041
Subtotal	35,463	1,250,000	1,285,463	2,382,331
Net assets released from restrictions	1,439,014	(1,439,014)	-	-
<b>Total Revenues and Support</b>	<b>1,474,477</b>	<b>(189,014)</b>	<b>1,285,463</b>	<b>2,382,331</b>
<b>EXPENSES</b>				
Program services	1,261,489	-	1,261,489	1,590,215
Fundraising	72,544	-	72,544	190,346
General and administrative	36,273	-	36,273	124,014
<b>Total Expenses</b>	<b>1,370,306</b>	<b>-</b>	<b>1,370,306</b>	<b>1,904,575</b>
<b>CHANGE IN NET ASSETS</b>	<b>104,171</b>	<b>(189,014)</b>	<b>(84,843)</b>	<b>477,756</b>
<b>NET ASSETS, Beginning of Year</b>	<b>202,686</b>	<b>766,049</b>	<b>968,735</b>	<b>490,979</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 306,857</b>	<b>\$ 577,035</b>	<b>\$ 883,892</b>	<b>\$ 968,735</b>

**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Statements of Functional Expenses  
For the Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	2022				2021
	Program Services	Fundraising	General and Administrative	Total	Total
Salaries and benefits	\$ 389,061	\$ 45,630	\$ 5,581	\$ 440,272	\$ 729,979
Marketing	477,780	-	-	477,780	325,120
Professional Services	374,428	8,733	24,945	408,106	740,716
Subgrants	-	-	-	-	15,000
Information technology	6,312	15,402	895	22,609	30,268
Occupancy	11,260	1,320	1,596	14,176	50,160
Insurance	2,155	253	306	2,714	5,987
Business fees	493	1,206	618	2,317	7,045
Meetings and retreats	-	-	1,832	1,832	100
Travel	-	-	500	500	200
<b>Total Functional Expenses (2022)</b>	<b>\$ 1,261,489</b>	<b>\$ 72,544</b>	<b>\$ 36,273</b>	<b>\$ 1,370,306</b>	
<b>Total Functional Expenses (2021)</b>	<b>\$ 1,590,215</b>	<b>\$ 190,346</b>	<b>\$ 124,014</b>		<b>\$ 1,904,575</b>

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, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (84,843)	\$ 477,756
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Grants receivable	-	30,270
Increase (decrease) in liabilities:		
Accounts payable and other accrued liabilities	(6,341)	(77,788)
Related party payable, net	362,744	(87,393)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	271,560	342,845
<b>CASH, Beginning of Year</b>	1,137,840	794,995
<b>CASH, End of Year</b>	\$ 1,409,400	\$ 1,137,840

See Accompanying Notes to Financial Statements



**NILC IMMIGRANT JUSTICE FUND**  
(A California Nonprofit Public Benefit Corporation)  
Notes to Financial Statements  
June 30, 2022 and 2021

**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:

- 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 Financial Presentation** – The financial statements have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America (“GAAP”). Revenues are recognized in the period in which they are earned, and expenses are recognized when the obligation is incurred.

**NILC IMMIGRANT JUSTICE FUND**  
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Notes to Financial Statements  
June 30, 2022 and 2021

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

**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* – The Organization reports gifts of cash and other assets as support with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from purpose or time restrictions. Donors may restrict net assets permanently. In this case, resources are to be maintained permanently but the Organization shall expend the income (or other economic benefits) derived from the donated assets.

**Pledges and Grants Receivable** – Unconditional promises to give, including grants recorded at estimated fair value, are recognized as revenues in the period granted. 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 when an unconditional promise to give is 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 support without donor restriction or support with donor restriction, depending on any applicable donor-imposed restrictions. When a restriction expires (when a stipulated restriction ends or purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Concentration of Credit Risks –**

*Contributions* – For the year ended June 30, 2022 and 2021, 74% and 58% of total revenues were received from two donors, respectively.

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

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Notes to Financial Statements  
June 30, 2022 and 2021

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

**Fair Value of Financial Instruments** – Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic No. 820, "Fair Value Measurements and Disclosures", establishes a framework for measuring fair value for assets and liabilities subject to fair value measurement. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. It gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

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.

**Income Taxes** – The Organization is exempt from taxation under Internal Revenue Code ("IRC") Section 501(c)(4) and California Revenue and Taxation Code Section 23701(d). In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 740, "Income Taxes," the Organization recognizes 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 its exempt purpose. Unrelated business income is taxed based on the applicable federal and state income tax rates for for-profit organizations. The Organization has no recognized or derecognized tax benefits, tax penalties or related interest. The Organization's income tax returns remain subject to examination for all tax years ended on or after June 30, 2019 with regard to all tax positions and results reported.

**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 supporting services are presented in the statement of functional expenses. These costs are grouped as either direct or indirect. Indirect, or shared costs, are allocated among program and supporting services by a method that best estimates the relative degree of benefit. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred. Occupancy costs are allocated based on office space utilization.

**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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

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Notes to Financial Statements  
June 30, 2022 and 2021

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

**Reclassifications** – Certain amounts from prior year have been reclassified to conform to the current year presentation.

**Subsequent Events** – Subsequent events have been evaluated through February 23, 2023, 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 staff, office space, furniture, and equipment.

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, 2022 and 2021, the Organization was charged \$520,514 and \$831,990, respectively for shared resources.

During the fiscal years ended June 30, 2022, and 2021, NILC awarded IJF funds for operational expenses. The total amount awarded was \$750,000 and \$1,095,000, respectively.

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

At the end of the fiscal years ended June 30, 2022 and 2021, IJF owed NILC \$506,488 and \$143,744, 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.

**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, 2022. Financial assets are considered unavailable if not liquid or convertible within one year.

Cash	\$ 1,409,400
Less: Amounts purpose-restricted by donors	<u>(527,036)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 882,364</u></u>

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

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Notes to Financial Statements  
June 30, 2022 and 2021

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

Changes in temporarily restricted net assets are summarized as follows:

	Available at June 30, 2021	New Grants	Expenditures / Releases from Restriction	Available at June 30, 2022
General Support	\$ 605,632	\$ 1,050,000	\$ (1,132,763)	\$ 522,869
Time Restricted Grants	160,417	200,000	(306,251)	54,166
Total	<u>\$ 766,049</u>	<u>\$ 1,250,000</u>	<u>\$ (1,439,014)</u>	<u>\$ 577,035</u>