

**AMERICANS FOR
IMMIGRANT JUSTICE, INC.**

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Officers of
Americans for Immigrant Justice, Inc.
Miami, Florida

We have audited the accompanying financial statements of Americans for Immigrant Justice, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

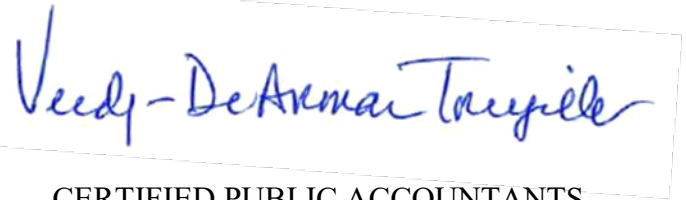
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of Florida Bar Foundation Financial Assistance is 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 information 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A rectangular box containing a handwritten signature in blue ink that reads "Veedy-DeArman Touyelle".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
May 20, 2021

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	ASSETS	
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,925,603	\$ 3,112,723
Restricted cash	8,690	8,690
Investments	44,212	30,957
Receivables	524,175	833,409
TOTAL CURRENT ASSETS	<u>4,502,680</u>	<u>3,985,779</u>
Property and equipment, net	123,872	193,729
Deposits	42,563	42,563
Other assets	1,762	32,796
TOTAL ASSETS	<u><u>\$ 4,670,877</u></u>	<u><u>\$ 4,254,867</u></u>
 LIABILITIES AND NET ASSETS 		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 50,238	\$ 124,072
Refundable advances	100,000	62,500
Case settlements held in trust	8,468	8,468
Deferred revenues	-	52,300
TOTAL LIABILITIES	<u>158,706</u>	<u>247,340</u>
NET ASSETS		
Net assets without donor restrictions		
Designated by the Board for operating reserve	350,000	350,000
Undesignated	3,803,338	3,477,480
Total net assets without donor restrictions	<u>4,153,338</u>	<u>3,827,480</u>
Net assets with donor restrictions	358,833	180,047
TOTAL NET ASSETS	<u>4,512,171</u>	<u>4,007,527</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,670,877</u></u>	<u><u>\$ 4,254,867</u></u>

The accompanying notes are an integral part of these financial statements.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 275,839	\$ -	\$ 275,839
Grants	1,207,741	2,534,327	3,742,068
Grant revenue -PPP	620,000	-	620,000
Government contracts	531,278	-	531,278
Investment income	4,561	14,036	18,597
Events	224,700	-	224,700
Other income	24,765	-	24,765
Net assets released from restrictions	2,369,577	(2,369,577)	-
TOTAL SUPPORT AND REVENUES	5,258,461	178,786	5,437,247
EXPENSES			
Program services			
Impact advocacy	387,646	-	387,646
Direct services	3,859,488	-	3,859,488
TOTAL PROGRAM SERVICES	4,247,134	-	4,247,134
Supporting services			
Management and general	476,595	-	476,595
Fundraising	208,874	-	208,874
TOTAL SUPPORTING SERVICES	685,469	-	685,469
TOTAL EXPENSES	4,932,603	-	4,932,603
CHANGE IN NET ASSETS	325,858	178,786	504,644
NET ASSETS AT BEGINNING OF YEAR	3,827,480	180,047	4,007,527
NET ASSETS AT END OF YEAR	\$ 4,153,338	\$ 358,833	\$ 4,512,171

The accompanying notes are an integral part of these financial statements.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 1,127,888	\$ -	\$ 1,127,888
Grants	1,051,124	3,608,933	4,660,057
Government contracts	544,333	-	544,333
Investment income	22,177	15,007	37,184
Events	163,407	-	163,407
Other income	991	-	991
Net assets released from restrictions	3,573,933	(3,573,933)	-
TOTAL SUPPORT AND REVENUES	6,483,853	50,007	6,533,860
EXPENSES			
Program services			
Impact advocacy	516,053	-	516,053
Direct services	4,346,727	-	4,346,727
TOTAL PROGRAM SERVICES	4,862,780	-	4,862,780
Supporting services			
Management and general	505,455	-	505,455
Fundraising	258,268	-	258,268
TOTAL SUPPORTING SERVICES	763,723	-	763,723
TOTAL EXPENSES	5,626,503	-	5,626,503
CHANGE IN NET ASSETS	857,350	50,007	907,357
NET ASSETS AT BEGINNING OF YEAR	2,970,130	130,040	3,100,170
NET ASSETS AT END OF YEAR	\$ 3,827,480	\$ 180,047	\$ 4,007,527

The accompanying notes are an integral part of these financial statements.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			Supporting Services			Total Expenses
	Impact Advocacy and Statewide	Direct Services	Total Program	Management and General	Fundraising	Total Supporting	
OPERATING EXPENSES							
Personnel compensation	\$ 333,749	\$ 3,050,280	\$ 3,384,029	\$ 320,467	\$ 114,517	\$ 434,984	\$ 3,819,013
Client services	801	44,103	44,904	2,112	221	2,333	47,237
Depreciation	-	-	-	78,602	-	78,602	78,602
Dues and licenses	6,726	15,061	21,787	2,981	755	3,736	25,523
Equipment rental and maintenance	225	21,072	21,297	545	675	1,220	22,517
Insurance	408	9,192	9,600	823	349	1,172	10,772
Legal library	895	2,123	3,018	-	-	-	3,018
Litigation	7,399	-	7,399	-	-	-	7,399
Miscellaneous	-	2,360	2,360	-	-	-	2,360
Professional fees	11,924	148,650	160,574	22,220	66,858	89,078	249,652
Rent	5,295	242,862	248,157	19,502	4,998	24,500	272,657
Repairs and maintenance	-	-	-	1,504	-	1,504	1,504
Subgrants	-	209,295	209,295	-	-	-	209,295
Supplies and postage	16,248	59,087	75,335	17,229	18,326	35,555	110,890
Telephone	2,163	36,373	38,536	6,209	1,920	8,129	46,665
Training	585	2,651	3,236	4,150	-	4,150	7,386
Travel	1,228	16,379	17,607	251	255	506	18,113
TOTAL OPERATING EXPENSES	\$ 387,646	\$ 3,859,488	\$ 4,247,134	\$ 476,595	\$ 208,874	\$ 685,469	\$ 4,932,603

The accompanying notes are an integral part of these financial statements.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Services			Total Expenses
	Impact Advocacy and Statewide	Direct Services	Total Program	Management and General	Fundraising	Total Supporting	
OPERATING EXPENSES							
Personnel compensation	\$ 460,164	\$ 3,252,455	\$ 3,712,619	\$ 239,196	\$ 211,209	\$ 450,405	\$ 4,163,024
Client services	929	32,363	33,292	696	207	903	34,195
Depreciation	-	-	-	64,712	-	64,712	64,712
Dues and licenses	4,273	10,113	14,386	9,532	5,570	15,102	29,488
Equipment rental and maintenance	87	15,631	15,718	407	1,647	2,054	17,772
Insurance	62	7,492	7,554	-	240	240	7,794
Legal library	490	2,756	3,246	625	-	625	3,871
Litigation	1,563	159	1,722	-	-	-	1,722
Miscellaneous	1,540	3,505	5,045	72,922	11,184	84,106	89,151
Professional fees	2,251	273,558	275,809	38,192	8,785	46,977	322,786
Rent	1,914	216,268	218,182	27,214	5,884	33,098	251,280
Repairs and maintenance	-	-	-	1,712	-	1,712	1,712
Subgrants	-	210,026	210,026	-	-	-	210,026
Supplies and postage	35,487	81,747	117,234	42,983	10,517	53,500	170,734
Telephone	2,145	40,621	42,766	100	1,835	1,935	44,701
Training	-	5,343	5,343	1,547	152	1,699	7,042
Travel	5,148	194,690	199,838	5,617	1,038	6,655	206,493
TOTAL OPERATING EXPENSES	\$ 516,053	\$ 4,346,727	\$ 4,862,780	\$ 505,455	\$ 258,268	\$ 763,723	\$ 5,626,503

The accompanying notes are an integral part of these financial statements.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 504,644	\$ 907,357
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	78,602	64,712
Gain on forgiveness of loan payable - PPP	(620,000)	-
(Increase) Decrease in assets:		
Receivables	309,234	(49,952)
Other assets	31,034	(6,967)
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	(73,834)	9,478
Refundable advances	37,500	12,500
Deferred revenue	(52,300)	52,300
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>214,880</u>	<u>989,428</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from sale/purchase of investments	(13,255)	(14,587)
Acquisition of property and equipment	(8,745)	(36,519)
NET CASH USED IN INVESTING ACTIVITIES	<u>(22,000)</u>	<u>(51,106)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on loan payable - PPP	620,000	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>620,000</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	812,880	938,322
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,121,413</u>	<u>2,183,091</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,934,293</u>	<u>\$ 3,121,413</u>
CASH PER STATEMENT OF FINANCIAL POSITION		
Undesignated	\$ 3,925,603	\$ 3,112,723
Restricted	8,690	8,690
TOTAL CASH	<u>\$ 3,934,293</u>	<u>\$ 3,121,413</u>

The accompanying notes are an integral part of these financial statements.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS

Organization

Americans for Immigrant Justice, Inc. (formerly known as Florida Immigrant Advocacy Center, Inc.) (the “Organization”) is a not-for-profit organization incorporated in Florida on July 31, 1995, to protect the basic human rights of immigrants of all nationalities in Florida through direct legal services and impact advocacy efforts. The Organization operates from one office located in Miami, Florida. It provides direct legal assistance to individual clients that meet 125% of the Federal poverty guidelines and require an attorney to represent them in complex immigration issues.

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting and in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions on the use of the net assets. The two net asset categories are as follows.

Net Assets Without Donor Restrictions

The portion of the net assets of the Organization that can be used subject to the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the normal course of business. The Organization has the greatest ability to choose when using these resources. Net assets without donor restrictions generally result from contributions that are not subject to donor-imposed restrictions. There was an amount designated by the board for operating reserve of approximately \$350,000 and \$350,000 as of December 31, 2020 and 2019, respectively.

Net Assets With Donor Restrictions

The portions of net assets of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor’s instructions. Net assets with donor restrictions generally result from donor-restricted contributions. There were \$358,833 and \$180,047 with donor restrictions as of December 31, 2020 and 2019, respectively.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of temporary cash deposits, accounts and grants receivable. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the \$250,000 insurance limits of the Federal Deposit Insurance Corporation.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

Promises to Give

Unconditional promises to give are recognized as revenues or gains 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 when the conditions on which they depend are substantially met.

Donor Restricted and Without Donor Restricted Revenue

Contributions received are recorded as donor restricted or without donor restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose 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 restrictions. Federal and State grant awards are classified as refundable advances until expended for the purpose of the grant since they are conditional promises to give. Without donor restricted support increases net assets without donor restrictions.

Allowance for Doubtful Accounts

Management monitors the collection status of its receivables on an ongoing basis. Management believes that all receivables are collectible; therefore, the Organization has not included a provision for uncollectible accounts. Any accounts deemed uncollectible will be charged to expense when the determination is made.

Furniture and Equipment

Purchases of depreciable assets are recorded at cost or, if donated, at the fair value at the date of donation. Assets purchased with funds with explicit restrictions regarding their use and restrictions on the disposition of those assets are reported as restricted support. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions by releasing the depreciation charged for those assets during the period. All of the Organization's depreciable assets are without restrictions. Normal repairs and maintenance are charged to expense as incurred. Depreciation is recorded as an expense of net assets without donor restrictions and is computed using the straight-line method over the assets estimated useful life.

Estimated useful lives of property and equipment are as follows:

	<u>Years</u>
Computer equipment	3 – 5
Office equipment	3 – 7
Office furniture	3 – 7
Office furniture	5 – 15

The Organization capitalizes assets with a cost greater than \$5,000 and a useful life greater than one year.

Deferred Revenue/Refundable Advances

Revenue received in advance of the Organization incurring allowable grant expenses are recorded as deferred revenues or refundable advances.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

Income Taxes

The Organization qualifies as a tax exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. The Organization is subjected to income tax on unrelated business income.

The Organization adopted the provisions of an accounting standard, which clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements in accordance with existing accounting guidance on income taxes, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Interest and penalties on tax liabilities, if any, would be recorded as an expense in the statement of activities. No liability for unrecognized tax benefits was recorded as a result of implementing this standard. The Organization is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2017.

Use of Estimates

The preparation of financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of receivables, and the useful lives and impairment of tangible assets. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statement in the period they are determined to be necessary. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

Adopted Accounting Pronouncements

In June 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, with the stated purpose of providing guidance in evaluating whether transactions should be accounted for as contributions or exchanges. In addition, the update introduces the concept of barriers in providing additional guidance on identifying conditions that would preclude the recognition of a contribution as revenue. The standard is effective for fiscal years beginning after December 15, 2018, and should be applied on a modified prospective basis, with early adoption permitted. Accordingly, it was implemented by the Organization for the year ended December 31, 2020.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers: Topic 606: Deferral of Effective Date*. This standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2019, with early adoption permitted. Accordingly, it was implemented by the Organization for the year ended December 31, 2020.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year operations. This reclassification had no effect on the reported results of operations.

Subsequent Events

The Organization has evaluated subsequent events through May 20, 2021, which is the date the financial statements were available to be issued.

NOTE 2 - CONTRACT FUNDING AND ECONOMIC DEPENDENCE

A significant portion of the Organization’s funding is received from Vera Institute of Justice, Inc. and The Children’s Trust. The majority of the contracts are on a cost reimbursement basis and are renewable on an annual basis. A significant reduction in the level of this funding, if this were to occur, may have a material effect on the Organization’s programs and activities.

Revenues received and receivables due under contracts with Vera Institute of Justice, Inc. consisted of the following for December 31, 2020 and 2019:

	<u>2020</u>		<u>2019</u>	
	Revenues	Receivables	Revenues	Receivables
Vera Institute of Justice, Inc.	34%	86%	49%	90%

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Computer equipment	\$ 265,090	\$ 256,346
Office equipment	8,059	8,059
Office furniture	65,011	65,011
Leasehold improvements	118,567	118,567
	<u>456,727</u>	<u>447,983</u>
Less: Accumulated depreciation	<u>(332,855)</u>	<u>(254,254)</u>
	<u>\$ 123,872</u>	<u>\$ 193,729</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$78,602 and \$64,712, respectively.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Office Lease

The Organization leases two office spaces under the terms of two separate operating leases (One lease for the Miami office and one for the Washington D.C. office). The lease for the Miami office was relocated to a new location beginning on December 1, 2018 and calls for a monthly base rent of \$18,819. The lease for the Washington D.C. office expired and a new agreement was entered into in February of 2018, which calls for a monthly fee of \$170 for a virtual office that provides an answering service, receipt of mail, conference room and office space as needed. Rent expense totaled approximately \$272,000 and \$251,000 for the years ended December 31, 2020 and 2019, respectively.

Copy Machine

The Organization leases three copy machines under the terms of one operating lease. The lease agreement was entered into in May of 2018 and matures in August of 2023, which calls for a monthly fee of approximately \$1,200.

Total future minimum payments for the office lease and copy machines are as follows:

2021	\$	247,500
2022		254,496
2023		235,749
	\$	<u>737,745</u>

Grants

The Organization receives grants that require compliance with certain provisions stated in the grant document. Failure to comply with these provisions could result in the return of funds to grantors. Although this is a possibility, management deems the contingency remote since, in their opinion; the Organization has fully complied with the provisions of the grants.

NOTE 5- FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs of other categories were allocated on estimates of time and effort.

NOTE 6 -EMPLOYEE BENEFITS

IRC Section 125 Smart Plan

The Organization maintains a cafeteria plan under Section 125 of the Internal Revenue Code. The plan allows employees to pay for family health and dental coverage through pre-tax earnings. Employees are eligible to participate after 90 days of continuous employment.

IRC Section 403 (b)(7) Annuity Plan

The Organization maintains an annuity plan under Internal Revenue Code IRC Section 403 (b)(7). The Organization made contributions of approximately \$64,000 and \$41,000 for the years ended December 31, 2020 and 2019, respectively.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts, which at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts. The Organization maintains its cash with high quality financial institutions, which the Organization believes limits these risks.

NOTE 8 - BOARD DESIGNATED OPERATING RESERVE

In January 2010, the Board of Directors approved the establishment of a Board designated operating reserve. The purpose of this fund or account is to establish a financial reserve to provide for a minimum of one to two months of operating income (operating reserve or reserve). The goal is to position the Organization to handle fiscal emergencies such as lack of short-term cash flow, unanticipated loss of grants or other funding, and unexpected replacement of physical assets. Any use of the operating reserve must first be approved by the executive committee of the Board. As of December 31, 2020, the balance of the operating reserve was approximately \$350,000.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of December 31, 2020 and 2019 that are available for general use within one year of that date to meet cash for general expenditures:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash	\$ 3,925,603	\$ 3,112,723
Restricted cash	8,690	8,690
Investments	44,212	30,957
Receivables	524,175	833,409
Total financial assets	<u>4,502,680</u>	<u>3,985,779</u>
Less amounts not available to be used within one year:		
Restricted cash	8,690	8,690
Investments	44,212	30,957
Donor imposed time or purpose restrictions	305,931	157,780
Designated by the Board for operating reserve	350,000	350,000
	<u>708,833</u>	<u>547,427</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,793,847</u>	<u>\$ 3,438,352</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets are restricted for the following purposes or time periods, as of December 31, 2020:

Time and purpose restrictions:	
Litigation programs	\$ 314,621
Investments	44,212
	<u>\$ 358,833</u>
Total net assets with donor restriction	<u>\$ 358,833</u>
Litigation programs	2,369,577
Total net assets released from restriction	<u>\$ 2,369,577</u>

These net assets are restricted for specific purposes or until specific events occur.

Net assets with donor restrictions are as follows at December 31, 2020:

Net assets with restrictions consist of the following assets

Cash	\$ 314,621
Investments	44,212
	<u>\$ 358,833</u>

NOTE 11 – INVESTMENTS

Investments recorded at fair market value at December 31, 2020 and 2019 are comprised of \$44,212 and \$30,957, respectively. These investments are donor restricted.

NOTE 12 – FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of its investments in marketable securities and investment partnerships on a recurring basis.

FASB guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

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NOTE 12 – FAIR VALUE MEASUREMENTS (Continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment for estimation.

Items Measured at Fair Value on a Recurring Basis

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value: Equity securities are valued at cost, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in methodologies as of December 31, 2020 and 2019.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31:

	2020			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 44,212	\$ -	\$ -	\$ 44,212
	2019			
	Level 1	Level 2	Level 3	Total
Equity securities	\$ 30,957	\$ -	\$ -	\$ 30,957

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NOTE 13 – OTHER MATTERS

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.

NOTE 14 – LOAN PAYABLE - PPP

On April 18, 2020, the Organization received loan proceeds in the amount of \$620,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks or at twenty-four week as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week or twenty-four week period.

The Organization used PPP loan proceeds for purposes consistent with the PPP and applied for forgiveness. The Organization expects the loan to be fully forgiven.

The Organization recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized \$620,000 as grant revenue for the year ended December 31, 2020.

SUPPLEMENTARY INFORMATION

**AMERICANS FOR IMMIGRANT JUSTICE, INC.
SCHEDULE OF FLORIDA BAR FOUNDATION FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2020**

GENERAL AWARDS

General operating	\$ 236,250
TOTAL GENERAL AWARDS	<u>236,250</u>

EXPENSES

Personnel compensation	195,035
Space	10,465
Equipment rental	3,106
Information technology	9,245
Supplies	3,711
Telephone	3,230
Travel	510
Audit & Accounting Fees	3,650
Insurance	1,077
Dues & Fees	797
Postage	5,424
TOTAL EXPENSES	<u>\$ 236,250</u>



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Americans for Immigrant Justice, Inc.
Miami, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Americans For Immigrant Justice, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

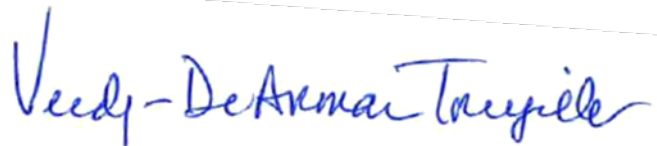
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
May 20, 2021