

**AMERICANS FOR
IMMIGRANT JUSTICE, INC.**

FINANCIAL STATEMENTS,
INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Americans for Immigrant Justice, Inc. (the "Organization") (a non-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related 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 financial statements referred to above present fairly, in all material respects, the financial position of Americans for Immigrant Justice, Inc., as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 within one year after the date that the financial statements are available to be issued.

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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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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.

Supplementary 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 July 12, 2023 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, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the Organization's 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.

Coral Gables, Florida
July 12, 2023



CERTIFIED PUBLIC ACCOUNTANTS

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS		
	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,621,705	\$ 4,112,393
Restricted cash	90	90
Receivables	672,508	537,073
TOTAL CURRENT ASSETS	<u>5,294,303</u>	<u>4,649,556</u>
Property and equipment, net	58,237	67,523
Deposits	42,563	42,563
Other assets	1,762	21,762
TOTAL ASSETS	<u>\$ 5,396,865</u>	<u>\$ 4,781,404</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 47,005	\$ 65,639
Refundable advances	-	30,000
Case settlements held in trust	8,468	8,468
Deferred revenues	489,053	4,045
TOTAL LIABILITIES	<u>544,526</u>	<u>108,152</u>
NET ASSETS		
Net assets without donor restrictions		
Designated by the Board for operating reserve	350,000	350,000
Undesignated	4,311,852	4,151,515
Total net assets without donor restrictions	<u>4,661,852</u>	<u>4,501,515</u>
Net assets with donor restrictions	190,487	171,737
TOTAL NET ASSETS	<u>4,852,339</u>	<u>4,673,252</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,396,865</u>	<u>\$ 4,781,404</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Contributions	\$ 428,190	\$ -	\$ 428,190
Grants	1,438,422	3,014,603	4,453,025
Government contracts	452,128	-	452,128
Investment income	11,491	-	11,491
Events	125,878	-	125,878
Other income	1,885	-	1,885
Net assets released from restrictions	2,995,853	(2,995,853)	-
TOTAL SUPPORT AND REVENUES	5,453,847	18,750	5,472,597
EXPENSES			
Program services			
Impact advocacy	447,872	-	447,872
Direct services	3,903,553	-	3,903,553
TOTAL PROGRAM SERVICES	4,351,425	-	4,351,425
Supporting services			
Management and general	616,727	-	616,727
Fundraising	325,358	-	325,358
TOTAL SUPPORTING SERVICES	942,085	-	942,085
TOTAL EXPENSES	5,293,510	-	5,293,510
CHANGE IN NET ASSETS	160,337	18,750	179,087
NET ASSETS AT BEGINNING OF YEAR	4,501,515	171,737	4,673,252
NET ASSETS AT END OF YEAR	\$ 4,661,852	\$ 190,487	\$ 4,852,339

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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions	\$ 409,384	\$ -	\$ 409,384
Grants	1,164,273	2,305,676	3,469,949
Grant revenue -PPP	785,214	-	785,214
Government contracts	545,126	-	545,126
Investment income	4,536	-	4,536
Events	25,000	-	25,000
Other income	3,296	26,509	29,805
Net assets released from restrictions	2,519,281	(2,519,281)	-
TOTAL SUPPORT AND REVENUES	<u>5,456,110</u>	<u>(187,096)</u>	<u>5,269,014</u>
EXPENSES			
Program services			
Impact advocacy	510,824	-	510,824
Direct services	3,713,172	-	3,713,172
TOTAL PROGRAM SERVICES	<u>4,223,996</u>	<u>-</u>	<u>4,223,996</u>
Supporting services			
Management and general	584,991	-	584,991
Fundraising	298,946	-	298,946
TOTAL SUPPORTING SERVICES	<u>883,937</u>	<u>-</u>	<u>883,937</u>
TOTAL EXPENSES	<u>5,107,933</u>	<u>-</u>	<u>5,107,933</u>
CHANGE IN NET ASSETS	348,177	(187,096)	161,081
NET ASSETS AT BEGINNING OF YEAR	<u>4,153,338</u>	<u>358,833</u>	<u>4,512,171</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,501,515</u>	<u>\$ 171,737</u>	<u>\$ 4,673,252</u>

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, 2022

	Program Services			Supporting Services			Total Expenses
	Impact Advocacy and Statewide	Direct Services	Total Program	Management and General	Fundraising	Total Supporting	
OPERATING EXPENSES							
Personnel compensation	\$ 381,852	\$ 3,006,425	\$ 3,388,277	\$ 475,961	\$ 291,539	\$ 767,500	\$ 4,155,777
Client services	1,327	10,859	12,186	3,432	184	3,616	15,802
Depreciation	-	-	-	31,910	-	31,910	31,910
Dues and licenses	2,929	23,900	26,829	3,042	2,387	5,429	32,258
Equipment rental and maintenance	970	18,906	19,876	1,487	1,397	2,884	22,760
Insurance	533	11,251	11,784	1,495	428	1,923	13,707
Legal library	329	3,946	4,275	-	-	-	4,275
Miscellaneous	-	3,483	3,483	891	503	1,394	4,877
Professional fees	41,667	228,382	270,049	49,685	7,563	57,248	327,297
Rent	8,176	253,420	261,596	11,866	7,718	19,584	281,180
Repairs and maintenance	-	6,909	6,909	809	-	809	7,718
Subgrants	-	162,287	162,287	-	-	-	162,287
Supplies and postage	5,710	78,240	83,950	26,844	9,086	35,930	119,880
Telephone	1,841	36,914	38,755	5,711	3,023	8,734	47,489
Training	1,227	21,154	22,381	2,051	869	2,920	25,301
Travel	1,311	37,477	38,788	1,543	661	2,204	40,992
TOTAL OPERATING EXPENSES	\$ 447,872	\$ 3,903,553	\$ 4,351,425	\$ 616,727	\$ 325,358	\$ 942,085	\$ 5,293,510

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, 2021

	Program Services			Supporting Services			Total Expenses
	Impact Advocacy and Statewide	Direct Services	Total Program	Management and General	Fundraising	Total Supporting	
OPERATING EXPENSES							
Personnel compensation	\$ 482,069	\$ 2,910,167	\$ 3,392,236	\$ 435,148	\$ 170,825	\$ 605,973	\$ 3,998,209
Client services	971	41,161	42,132	2,628	134	2,762	44,894
Depreciation	-	-	-	61,681	-	61,681	61,681
Dues and licenses	4,834	19,133	23,967	2,923	6,076	8,999	32,966
Equipment rental and maintenance	224	20,952	21,176	581	671	1,252	22,428
Insurance	499	9,298	9,797	1,330	452	1,782	11,579
Legal library	330	3,961	4,291	-	-	-	4,291
Miscellaneous	-	400	400	2,221	11,685	13,906	14,306
Professional fees	8,266	143,803	152,069	44,244	86,343	130,587	282,656
Rent	6,965	239,305	246,270	10,108	6,574	16,682	262,952
Repairs and maintenance	44	1,130	1,174	555	-	555	1,729
Subgrants	-	220,835	220,835	-	-	-	220,835
Supplies and postage	3,929	59,928	63,857	16,389	13,987	30,376	94,233
Telephone	2,508	38,843	41,351	6,118	2,044	8,162	49,513
Training	56	1,723	1,779	1,044	99	1,143	2,922
Travel	129	2,533	2,662	21	56	77	2,739
TOTAL OPERATING EXPENSES	\$ 510,824	\$ 3,713,172	\$ 4,223,996	\$ 584,991	\$ 298,946	\$ 883,937	\$ 5,107,933

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 179,087	\$ 161,081
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	31,910	61,681
Gain on forgiveness of loan payable - PPP	-	(785,214)
(Increase) Decrease in assets:		
Receivables	(135,435)	(12,898)
Other assets	20,000	(20,000)
Increase (Decrease) in liabilities:		
Accounts payable and accrued expenses	(18,634)	15,401
Refundable advances	-	(70,000)
Deferred revenue	455,008	4,045
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>531,936</u>	<u>(645,904)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from sale/purchase of investments	-	44,212
Acquisition of property and equipment	(22,624)	(5,332)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(22,624)</u>	<u>38,880</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on loan payable - PPP	-	785,214
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>785,214</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	509,312	178,190
CASH AND CASH EQUIVALENTS, beginning of year	<u>4,112,483</u>	<u>3,934,293</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 4,621,795</u>	<u>\$ 4,112,483</u>
CASH PER STATEMENT OF FINANCIAL POSITION		
Undesignated	\$ 4,621,705	\$ 4,112,393
Restricted	90	90
TOTAL CASH	<u>\$ 4,621,795</u>	<u>\$ 4,112,483</u>

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, 2022 AND 2021

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 main 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 as of December 31, 2022 and 2021.

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 \$190,487 and \$171,737 with donor restrictions as of December 31, 2022 and 2021, respectively.

ASU 2014-09

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, 2021.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

Financial Statement Presentation (Continued)

ASU 2016-02

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases today. The effective date for this standard has been delayed to fiscal years beginning after December 15, 2021. The ASU is not expected to impact the financial statements as the Organization has operating leases expiring in 2023 (See Note 4).

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.

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.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND OPERATIONS (Continued)

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
Leasehold Improvements	5 – 15

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

Deferred Revenues/Refundable Advances

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

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 2019.

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..

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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 July 12, 2023 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, 2022 and 2021:

	<u>2022</u>		<u>2021</u>	
	<u>Revenues</u>	<u>Receivables</u>	<u>Revenues</u>	<u>Receivables</u>
Vera Institute of Justice, Inc.	82%	18%	84%	16%

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 293,047	\$ 270,423
Office equipment	8,059	8,059
Office furniture	65,011	65,011
Leasehold improvements	118,567	118,567
	<u>484,684</u>	<u>462,060</u>
Less: Accumulated depreciation	(426,447)	(394,537)
	<u>\$ 58,237</u>	<u>\$ 67,523</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$31,910 and \$61,681, respectively.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

Office Lease

The Organization leased two office spaces under the terms of two separate operating leases (one lease for the Miami office and one for the Lake Worth office). The lease for the Miami office was relocated to a new location beginning on December 1, 2018, calls for a monthly base rent of \$18,819, and expires in November of 2023. The lease for the Lake Worth office expired in July 31, 2021, had been on a month-to-month leasing and called for a monthly base rent of \$5,000 before the Organization vacated the office on September 30, 2022. Rent expense totaled approximately \$281,000 and \$263,000 for the years ended December 31, 2022 and 2021, respectively.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 - COMMITMENTS AND CONTINGENCIES (Continued)

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, matures in August of 2023, and calls for a monthly fee of approximately \$1,200.

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

2023	\$	235,749
	\$	<u>235,749</u>

Management has not signed lease extensions for leases expiring in 2023.

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 \$62,000 and \$68,000 for the years ended December 31, 2022 and 2021, respectively.

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.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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, 2022, 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, 2022 and 2021 that are available for general use within one year of that date to meet cash for general expenditures:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash	\$ 4,621,705	\$ 4,112,393
Restricted cash	90	90
Receivables	672,508	537,073
Total financial assets	<u>\$ 5,294,303</u>	<u>\$ 4,649,556</u>
Less amounts not available to be used within one year:		
Restricted cash	\$ 90	\$ 90
Donor imposed time or purpose restrictions	190,487	171,737
Designated by the Board for operating reserve	350,000	350,000
	<u>540,577</u>	<u>521,827</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,753,726</u>	<u>\$ 4,127,729</u>

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

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets are restricted for the following purposes or time periods, as of December 31, 2022:

Time and purpose restrictions:

Children's Legal Program, Lucha and Family Defense Program	\$ 190,487
Total net assets with donor restriction	<u>\$ 190,487</u>

These net assets are restricted for specific purposes or until specific events occur and are kept in cash as of December 31, 2022.

AMERICANS FOR IMMIGRANT JUSTICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 11 – RISKS AND UNCERTAINTIES

The Covid-19 pandemic continues to impact business continuity, including supply chains and consumer demand across a broad range of industries and countries. In addition, certain geopolitical risks abroad and inflationary pressures at home are causing significant market volatility. Management has been carefully monitoring the situation and evaluating its options during this time. As a result of these uncertainties, no adjustments have been made to these financial statements.

SUPPLEMENTARY INFORMATION

AMERICANS FOR IMMIGRANT JUSTICE, INC.
SCHEDULE OF FLORIDA BAR FOUNDATION FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

GENERAL AWARDS

General operating	\$ 36,470
TOTAL GENERAL AWARDS	<u>36,470</u>

EXPENSES

Personnel compensation	36,470
TOTAL EXPENSES	<u>\$ 36,470</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***

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Elizabeth Jarvis, C.P.A.
Cristy C. Rubio, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

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, 2022 and 2021, 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 July 12, 2023.

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.

Coral Gables, Florida
July 12, 2023



CERTIFIED PUBLIC ACCOUNTANTS