



IMMIGRANT LEGAL ADVOCACY PROJECT

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Immigrant Legal Advocacy Project

Opinion

We have audited the accompanying financial statements of Immigrant Legal Advocacy Project (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2021 and 2020, and the related statements of support, revenue, and expenses - modified cash basis, statement of functional expenses - modified cash basis, and cash flows - modified cash basis 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 assets, liabilities, and net assets of the Organization as of December 31, 2021 and 2020, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in the notes to the financial statements.

Basis for Opinion

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

Basis of Accounting

We draw attention to the notes of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in notes of the financial statements, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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.



July 27, 2022

South Portland, Maine

IMMIGRANT LEGAL ADVOCACY PROJECT
Statements of Assets, Liabilities and Net Assets
Modified Cash Basis
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets:		
Cash and equivalents	\$ 894,747	537,604
Cash and equivalents held in investments	1,758,977	1,477,339
Deposit - rent	4,296	4,696
Total current assets	2,658,020	2,019,639
Property and equipment:		
Property and equipment	31,265	35,518
Less accumulated depreciation	(17,453)	(16,009)
Net property and equipment	13,812	19,509
Non-current assets:		
Investments	89,020	90,066
Total non-current assets	89,020	90,066
Total assets	\$ 2,760,852	2,129,214
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued payroll related liabilities	\$ 49,428	44,787
Total liabilities	49,428	44,787
Net assets:		
Without donor restrictions:		
Undesignated	1,694,525	1,069,556
Board designated	1,000,000	1,000,000
Total net assets without donor restrictions	2,694,525	2,069,556
Net assets with donor restrictions	16,899	14,871
Total net assets	2,711,424	2,084,427
Total liabilities and net assets	\$ 2,760,852	2,129,214

See independent auditor's report and accompanying notes to financial statements.

IMMIGRANT LEGAL ADVOCACY PROJECT
Statements of Support, Revenue, and Expenses
Modified Cash Basis
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenue:						
Foundation grants	\$ 648,526	202,743	851,269	659,212	141,946	801,158
Donations	1,690,754	-	1,690,754	866,568	-	866,568
Government grants	-	-	-	190,327	-	190,327
Fees	1,302	-	1,302	2,345	-	2,345
Investment income, net	1,143	-	1,143	3,628	167	3,795
In-kind contributions	715,792	-	715,792	947,247	-	947,247
Fundraising events, net of expenses of \$1,286 and \$6,720 for 2021 and 2020, respectively	1,464	-	1,464	30,756	-	30,756
Other income	100	-	100	6,368	-	6,368
Total public support and revenue	3,059,081	202,743	3,261,824	2,706,451	142,113	2,848,564
Net assets released from restrictions	200,715	(200,715)	-	349,426	(349,426)	-
Total public support and reclassifications	3,259,796	2,028	3,261,824	3,055,877	(207,313)	2,848,564
Expenses:						
Program expenses	2,313,712	-	2,313,712	2,204,429	-	2,204,429
Management and general	95,807	-	95,807	88,929	-	88,929
Fundraising	225,308	-	225,308	204,583	-	204,583
Total expenses	2,634,827	-	2,634,827	2,497,941	-	2,497,941
Change in net assets	624,969	2,028	626,997	557,936	(207,313)	350,623
Net assets, beginning of year	2,069,556	14,871	2,084,427	1,511,620	222,184	1,733,804
Net assets, end of year	\$ 2,694,525	16,899	2,711,424	2,069,556	14,871	2,084,427

See independent auditor's report and accompanying notes to financial statements.

IMMIGRANT LEGAL ADVOCACY PROJECT
Statement of Functional Expenses
Modified Cash Basis
Year Ended December 31, 2021

	Program expenses	Supporting services		Total expenses
		Management and general	Fundraising	
Salaries	\$ 1,020,919	51,922	130,103	1,202,944
Benefits and payroll taxes	262,422	13,347	33,442	309,211
Professional services	55,535	14,500	18,515	88,550
Office supplies	11,798	600	1,504	13,902
Equipment and support	53,607	2,455	11,656	67,718
Malpractice insurance	11,805	-	-	11,805
Telephone	33,741	1,716	4,300	39,757
Postage	6,795	345	866	8,006
Occupancy	81,339	4,136	10,366	95,841
Printing and copying	7,407	377	8,023	15,807
Advertising and outreach	3,332	169	425	3,926
Travel and meals	2,684	136	342	3,162
Library and publications	6,712	-	-	6,712
Professional dues	5,780	-	-	5,780
Client filing fees	13,558	-	-	13,558
Professional development and training	17,517	510	713	18,740
In-kind expenses	715,792			715,792
Miscellaneous	2,969	642	5,053	8,664
Total expenses before depreciation	2,313,712	90,855	225,308	2,629,875
Depreciation	-	4,952	-	4,952
Total expenses	\$ 2,313,712	95,807	225,308	2,634,827

See independent auditor's report and accompanying notes to financial statements.

IMMIGRANT LEGAL ADVOCACY PROJECT
Statement of Functional Expenses
Modified Cash Basis
Year Ended December 31, 2020

		Program expenses	Supporting services		Total expenses
			Management and general	Fundraising	
Salaries	\$	785,352	45,534	122,968	953,854
Benefits and payroll taxes		205,434	11,911	32,166	249,511
Professional services		45,519	15,292	3,811	64,622
Office supplies		14,438	837	2,261	17,536
Equipment and support		58,193	2,713	14,861	75,767
Malpractice insurance		8,983	-	-	8,983
Liability insurance		1,158	67	181	1,406
Telephone		29,086	1,686	4,554	35,326
Postage		8,155	473	1,277	9,905
Occupancy		65,070	3,773	10,188	79,031
Printing and copying		6,124	355	6,663	13,142
Advertising and outreach		1,573	91	2,006	3,670
Travel and meals		4,183	243	655	5,081
Library and publications		4,833	-	-	4,833
Professional dues		8,059	-	-	8,059
Client filing fees		878	-	-	878
Professional development and training		7,731	822	274	8,827
In-kind expenses		947,247	-	-	947,247
Miscellaneous		2,413	139	2,718	5,270
Total expenses before depreciation		2,204,429	83,936	204,583	2,492,948
Depreciation		-	4,993	-	4,993
Total expenses	\$	2,204,429	88,929	204,583	2,497,941

See independent auditor's report and accompanying notes to financial statements.

IMMIGRANT LEGAL ADVOCACY PROJECT
Statements of Cash Flows
Modified Cash Basis
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 626,997	350,623
Adjustments to reconcile change in net assets to net cash and equivalents provided by operating activities:		
Depreciation	4,952	4,993
Unrealized (gain) loss on investments	(965)	201
Loss on disposal of property and equipment	1,776	-
(Increase) decrease in operating assets:		
Deposit - rent	400	2
Increase (decrease) in operating liabilities:		
Accrued payroll related liabilities	4,641	14,876
Net cash and equivalents provided by operating activities	637,801	370,695
Cash flows from investing activities:		
Purchase of property and equipment	(1,031)	-
Proceeds from sale of investments	2,189	14,019
Purchase of investments	(178)	(3,996)
Net cash and equivalents provided by investing activities	980	10,023
Net change in cash and equivalents	638,781	380,718
Cash and equivalents, beginning of year	2,014,943	1,634,225
Cash and equivalents, end of year	\$ 2,653,724	2,014,943
Supplemental schedule of cash and equivalents:		
Cash and equivalents	\$ 894,747	537,604
Cash and equivalents held in investments	1,758,977	1,477,339
Total cash and cash equivalents	\$ 2,653,724	2,014,943

See independent auditor's report and accompanying notes to financial statements.

IMMIGRANT LEGAL ADVOCACY PROJECT

Notes to Financial Statements

December 31, 2021 and 2020

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Immigrant Legal Advocacy Project (the Organization) is a not-for-profit organization organized under the laws of the State of Maine to advocate for and to improve the status and well-being of Maine's low-income non-citizens and their families by providing affordable legal services, and by educating and working with service providers, policy makers, and the public concerning legal issues unique to non-citizens.

Basis of Accounting - The Organization's policy is to issue its financial statements using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The modified cash basis is a basis of accounting which differs from the strict cash basis of recording revenues when received and expenses when funds are disbursed. These statements have been modified to include the recording of accrued payroll related liabilities, and the capitalization and depreciation of equipment. In addition, certain in-kind donations and expenses are recorded in the accompanying statements of support, revenue, and expenses - modified cash basis, and statements of functional expenses - modified cash basis.

Basis of Presentation - The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of use restrictions placed by its donors: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to donor imposed restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents, and its application for tax-exempt status. The governing board has designated a portion of net assets without donor restrictions as net assets for long-term investment.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as where the donor stipulates that resources be maintained in perpetuity. The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limits their use. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

Cash and Equivalents - For purposes of the statements of cash flows - modified cash basis, management considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization's cash and cash equivalents consist of cash in checking, savings, money market, and petty cash.

Property and Equipment - Property and equipment with a purchase price of \$1,000 or more are carried at cost if purchased, or fair value on the date of gift if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from 5-7 years.

IMMIGRANT LEGAL ADVOCACY PROJECT
Notes to Financial Statements, Continued
December 31, 2021 and 2020

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Tax Status - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, it qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Code. Also, in 2004, the Organization filed Form 5768 to elect under Code section 501(h) to make limited expenditures to influence legislation.

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state taxing authorities. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Donated Services - The Organization records in-kind support, which includes pro-bono attorney hours. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills and are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses.

Additionally, the Organization receives a significant amount of contributed time which does not meet the two recognition criteria described above. Accordingly, the value of this contribution, for the years ended December 31, 2021 and 2020, has not been reflected in the accompanying financial statements.

Use of Estimates - The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues and Expenses - Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. Expirations of net assets with donor restrictions by fulfillment of the donor-stipulated purpose or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

Functional Allocation of Expenses - The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, and benefits and payroll taxes, which are allocated on the basis of estimates of time and effort. The remaining allocated expenses are based on management's estimate of current year activity and include: office supplies, equipment and support, liability insurance, telephone, postage, occupancy, printing and photocopying, advertising and outreach, travel and meals, client filing fees, professional development and training, and miscellaneous.

IMMIGRANT LEGAL ADVOCACY PROJECT
Notes to Financial Statements, Continued
December 31, 2021 and 2020

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contributions with Restrictions Met in the Same Year - Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the net assets with donor restrictions class, and a reclassification to net assets without donor restrictions is made to reflect the expiration of such restrictions.

New Accounting Pronouncements - In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)*. Under ASU 2016-02, at the commencement of a long-term lease (greater than 12 months), the lessees will recognize a liability equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Application of this standard must be applied using a modified retrospective transition approach for leases existing at the earliest comparative period presented in the financial statements. Since the original issuance of ASU No. 2016-02, the effective date has been delayed twice through the issuance of ASU's No. 2019-10 and No. 2020-05. The revised effective date is now for fiscal years beginning after December 15, 2021, which for the Organization would be fiscal year ending December 31, 2022. The Organization is currently evaluating the impact of this ASU on the financial statements.

In September 2020, the FASB issued ASU No. 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Under this ASU, nonprofit organizations will have to report all types of in-kind donations as separate line items in the statements of activities. The effective date for nonprofit organizations is for fiscal years beginning after June 15, 2021. The Organization is currently evaluating the impact of this ASU on its financial statements.

During the year ended December 31, 2021, the Organization adopted the provisions of Statements on Auditing Standards (SAS) 134 thru 140, as applicable, which address the auditor's responsibility over the opinion of the financial statements and the form and content of the auditor's report, the concept of materiality, related party discussions, among other topics.

Reclassifications - Certain prior year balances have been reclassified to conform to the current year presentation. Such reclassifications had no effect on the results of operations previously reported.

CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at a financial institution located in Maine. As of December 31, 2021 and 2020, deposits were insured by the FDIC up to a maximum amount of \$250,000. At December 31, 2021 and 2020, the Organization had \$496,556 and \$113,396, respectively, of uninsured cash.

MAINE COMMUNITY FOUNDATION CHARITABLE FUND

In 2007, a donor transferred \$200,000 to the Maine Community Foundation (MCF) to establish the "Immigrant Legal Advocacy Project Fund" (the Fund), designating the Immigrant Legal Advocacy Project as the intended beneficiary. The donor has granted variance power over these assets to the Maine Community Foundation. As a result, the Organization does not include them as an asset on the statements of assets, liabilities, and net assets - modified cash basis. The proceeds from this Fund will be distributed to Immigrant Legal Advocacy Project in amounts to be determined by a spending policy set by the MCF Board of Directors. During the years ended December 31, 2021 and 2020, payments received from this Fund totaled \$890 and \$890, respectively, and are included in "Donations" on the accompanying statements of support, revenue, and expenses - modified cash basis.

IMMIGRANT LEGAL ADVOCACY PROJECT
Notes to Financial Statements, Continued
December 31, 2021 and 2020

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

In accordance with FASB ASC 820-10 *Fair Value Measurements*, the Organization is required to disclose for its assets and liabilities measured at fair value on a recurring basis, the inputs used to determine those fair value measurements. The guidance provides 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 and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- *Level 1*: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.
- *Level 2*: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.
- *Level 3*: Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

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, although Organization management 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.

Fair value measurements at December 31, 2021 using:

	<u>Total</u>	<u>Level 1</u>
Cash reserves	\$ 1,758,977	1,758,977
Mutual funds – short term	89,020	89,020
Totals	\$ 1,847,997	1,847,997

Fair value measurements at December 31, 2020 using:

	<u>Total</u>	<u>Level 1</u>
Cash reserves	\$ 1,477,339	1,477,339
Mutual funds – short term	89,039	89,039
Equities:		
Mid-Cap growth	1,027	1,027
Totals	\$ 1,567,405	1,567,405

Cash reserves include money market balances, which are included in cash and equivalents held in investments on page 1. There were no transfers between asset levels during the years ended December 31, 2021 and 2020.

IMMIGRANT LEGAL ADVOCACY PROJECT
Notes to Financial Statements, Continued
December 31, 2021 and 2020

OPERATING LEASE OBLIGATIONS

In 2017, the Organization entered into an operating lease agreement for a new office location. This new lease commenced October 1, 2017, for a term of five years, with an option to extend the agreement thereafter for a period of two or three years. Payments on this lease did not start until January 2018 and range from \$3,761 to \$4,596 per month, plus additional amounts for parking spaces, for the duration of the lease. Rent expense associated with these leases totaled \$67,674 and \$68,646, respectively, for the years ended December 31, 2021 and 2020.

During 2018, the Organization expanded its operations to Lewiston, Maine, and commenced an office lease for a term of two years. Payments on this lease began in March 2018 at \$625 a month for the duration of the lease. This lease was terminated during 2021; at which time, the Organization entered into a new office lease, also in Lewiston, Maine. This 36-month lease calls for monthly payments ranging between \$850 and \$884, and provides for a five-year renewal option. Rent expense associated with these leases totaled \$9,977 and \$6,844 for the year ended December 31, 2021.

In 2018, the Organization entered into a lease for office equipment. The lease calls for monthly payments of \$419 for 36 months. This lease was terminated in 2021, at which time the Organization entered into two new leases for office equipment with monthly payments of \$445 and \$125, respectively. Rent expense associated with these leases totaled \$8,728 and \$1,257, respectively, for the years ended December 31, 2021 and 2020.

For the years ended December 31, 2021 and 2020, rent expense associated with all leases totaled \$86,379 and \$76,747, respectively.

The following is a summary of future lease commitments as of December 31, 2021:

2022	\$ 58,500
2023	17,300
2024	<u>5,400</u>
Total	<u>\$ 81,200</u>

RETIREMENT PLAN

Immigrant Legal Advocacy Project maintains a "tax sheltered annuity" plan under Internal Revenue Service Code Section 403(b). The plan is available to all employees upon hire for tax-deferred employee contributions. The Organization also makes contributions of 5% of qualified employees' salaries into a SEP IRA with contributions beginning after one year of service. For the years ended December 31, 2021 and 2020, retirement plan expenses incurred under this plan totaled \$51,028 and \$37,924, respectively; these and have been included in the "benefits and payroll taxes" line on the accompanying statements of functional expenses - modified cash basis. The Organization holds employee payroll deductions of \$1,600 and \$6,862 at December 31, 2021 and 2020, respectively; which is reflected as "accrued payroll related liabilities" in the accompanying statements of assets, liabilities and net assets - modified cash basis.

IMMIGRANT LEGAL ADVOCACY PROJECT
Notes to Financial Statements, Continued
December 31, 2021 and 2020

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

Net assets with donor restrictions consisted of the following at December 31:

Subject to appropriation and expenditure when a specified event or time occurs:

	<u>2021</u>	<u>2020</u>
<u>Gifts restricted by purpose or to future accounting periods</u>	<u>\$ 16,899</u>	<u>14,871</u>
<u>Total net assets with donor restrictions</u>	<u>\$ 16,899</u>	<u>14,871</u>

Board designated net assets consist of funds set aside for long-term investing and amounted to following at December 31:

	<u>2021</u>	<u>2020</u>
<u>Board designated funds for long-term investment</u>	<u>\$ 1,000,000</u>	<u>1,000,000</u>
<u>Total Board designated net assets</u>	<u>\$ 1,000,000</u>	<u>1,000,000</u>

NET ASSETS RELEASED FROM RESTRICTIONS

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donors were as follows:

	<u>2021</u>	<u>2020</u>
<u>Expiration of restrictions by purpose or passage of time</u>	<u>\$ 200,715</u>	<u>349,426</u>
<u>Total net assets released from restrictions</u>	<u>\$ 202,715</u>	<u>349,426</u>

PAYCHECK PROTECTION PROGRAM (PPP)

On April 16, 2020, as a result of the negative financial impacts of the COVID-19 pandemic, the Organization applied for and was granted a loan from Norway Savings Bank in the aggregate amount of \$190,327, pursuant to the Paycheck Protection Program (the "PPP") under division A, Title I of the Coronavirus Aid, Relief and Economy Security Act (CARES Act), which was enacted in March, 2020. The loan, which was in the form of a note dated April 16, 2020, was set to mature on April 16, 2022 and bore interest at a rate of 1.00% per annum, payable monthly commencing in 2021. The note could be prepaid by the Organization at any time prior to maturity with no prepayment penalties. Proceeds from the loan could only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Organization used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan could be forgiven if they are used for qualifying expenses as described in the CARES Act. The Organization elected to treat the loan as a conditional grant pursuant to FASB ASC 958-605. Under this treatment the loan is recorded as "governmental grant" revenue in the accompanying statements of support, revenue, and expenses - modified cash basis. On December 30, 2020, the loan was forgiven in full.

IMMIGRANT LEGAL ADVOCACY PROJECT
Notes to Financial Statements, Continued
December 31, 2021 and 2020

LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has the following financial assets available within one year of the balance sheet date to meet cash needs for general expenditure:

	<u>2021</u>	<u>2020</u>
Cash and equivalents	\$ 894,747	537,604
Cash and equivalents held in investments	1,758,977	1,477,339
Total	\$ 2,653,724	2,014,943

Of the financial assets, \$16,899 and \$14,871, respectively, at December 31, 2021 and 2020 are subject to donor or other contractual restrictions, which are expected to be met within the subsequent year. All other assets are available for general expenditure within one year of the balance sheet date. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

REVENUE RECOGNITION

During the years ended December 31, 2021 and 2020, the Organization had contract revenue consisting of the following:

	<u>2021</u>	<u>2020</u>
Fees	\$ 1,302	2,345
Fundraising events, net of related expenses	1,464	30,756
Total contract revenue	\$ 2,766	33,101

To best match the timing of the transfer of goods or services, the Organization recognizes revenue from contracts with customers on the date of services provided, or the date of occurrence for programs and events. There are no significant warranties of return, refund, or discount obligations related to any contracts with customers. For each of the years ended December 31, 2021 and 2020, the greatest economic factor effecting contract revenue has been the COVID-19 pandemic.

Contract transaction prices, such as admissions and fees, include management's judgment of variable consideration, which includes incentives, and rebates. Based on available information, management must include an estimate of any variable consideration, if applicable, when determining the contract transaction price.

SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through July 27, 2022, which is the date these financial statements were available to be issued.