



IMMIGRANT LEGAL ADVOCACY PROJECT

**FINANCIAL STATEMENTS**

**December 31, 2022 and 2021**

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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, 2022 and 2021, 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, 2022 and 2021, 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 19, 2023

South Portland, Maine

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Statements of Assets, Liabilities and Net Assets**  
**Modified Cash Basis**  
**December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 374,745	894,747
Cash and equivalents held in investments	1,685,925	1,847,997
Deposit - rent	4,296	4,296
Total current assets	2,064,966	2,747,040
Property and equipment:		
Property and equipment	46,620	31,265
Less accumulated depreciation	(23,134)	(17,453)
Net property and equipment	23,486	13,812
Non-current assets:		
Investments	4,542	-
Total non-current assets	4,542	-
<b>Total assets</b>	<b>\$ 2,092,994</b>	<b>2,760,852</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accrued payroll related liabilities	\$ 57,305	49,428
Total current liabilities	57,305	49,428
Total liabilities	57,305	49,428
Net assets:		
Without donor restrictions:		
Undesignated	985,897	1,694,525
Board designated	1,000,000	1,000,000
Total net assets without donor restrictions	1,985,897	2,694,525
Net assets with donor restrictions	49,792	16,899
Total net assets	2,035,689	2,711,424
<b>Total liabilities and net assets</b>	<b>\$ 2,092,994</b>	<b>2,760,852</b>

*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, 2022 and 2021**

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
Public support and revenue:						
Foundation grants	\$ 623,839	229,913	853,752	648,526	202,743	851,269
Donations	804,352	-	804,352	1,690,754	-	1,690,754
Fees	-	-	-	1,302	-	1,302
Investment income, net	17,489	-	17,489	1,143	-	1,143
Contributed nonfinancial assets	1,016,797	-	1,016,797	715,792	-	715,792
Fundraising events, net of expenses of \$6,121 and \$1,286 for 2022 and 2021, respectively	(2,121)	-	(2,121)	1,464	-	1,464
Other income	150	-	150	100	-	100
Total public support and revenue	2,460,506	229,913	2,690,419	3,059,081	202,743	3,261,824
Net assets released from restrictions	197,020	(197,020)	-	200,715	(200,715)	-
Total public support and reclassifications	2,657,526	32,893	2,690,419	3,259,796	2,028	3,261,824
Expenses:						
Program expenses	2,923,399	-	2,923,399	2,313,712	-	2,313,712
Management and general	194,917	-	194,917	95,807	-	95,807
Fundraising	247,838	-	247,838	225,308	-	225,308
Total expenses	3,366,154	-	3,366,154	2,634,827	-	2,634,827
Change in net assets	(708,628)	32,893	(675,735)	624,969	2,028	626,997
Net assets, beginning of year	2,694,525	16,899	2,711,424	2,069,556	14,871	2,084,427
<b>Net assets, end of year</b>	<b>\$ 1,985,897</b>	<b>49,792</b>	<b>2,035,689</b>	<b>2,694,525</b>	<b>16,899</b>	<b>2,711,424</b>

*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, 2022**

	Program expenses	Supporting services		Total expenses
		Management and general	Fundraising	
Salaries	\$ 1,183,104	90,777	159,454	1,433,335
Benefits and payroll taxes	302,737	23,228	40,802	366,767
Professional services	91,011	58,369	-	149,380
Office supplies	10,158	779	1,369	12,306
Equipment and support	92,089	2,643	6,177	100,909
Malpractice insurance	11,889	-	-	11,889
Liability insurance	1,161	89	156	1,406
Telephone	37,858	2,905	5,102	45,865
Postage	10,421	800	1,404	12,625
Occupancy	79,885	6,129	10,767	96,781
Printing and copying	8,343	640	12,008	20,991
Advertising and outreach	1,399	107	189	1,695
Travel and meals	13,896	1,066	1,873	16,835
Library and publications	13,234	-	-	13,234
Professional dues	9,605	-	-	9,605
Client filing fees	903	-	-	903
Professional development and training	25,814	699	1,637	28,150
Contributed nonfinancial assets	1,016,797	-	-	1,016,797
Program expenses	8,477	650	1,143	10,270
Miscellaneous	4,618	355	5,757	10,730
Total expenses before depreciation	2,923,399	189,236	247,838	3,360,473
Depreciation	-	5,681	-	5,681
<b>Total expenses</b>	<b>\$ 2,923,399</b>	<b>194,917</b>	<b>247,838</b>	<b>3,366,154</b>

*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
Contributed nonfinancial assets		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
<b>Total expenses</b>	<b>\$</b>	<b>2,313,712</b>	<b>95,807</b>	<b>225,308</b>	<b>2,634,827</b>

*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, 2022 and 2021**

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (675,735)	626,997
Adjustments to reconcile change in net assets to net cash and equivalents (used in) provided by operating activities:		
Depreciation	5,681	4,952
Unrealized loss (gain) on investments	5,696	(965)
Loss on disposal of property and equipment	-	1,776
(Increase) decrease in operating assets:		
Deposit - rent	-	400
Increase (decrease) in operating liabilities:		
Accrued payroll related liabilities	7,877	4,641
Net cash and equivalents (used in) provided by operating activities	(656,481)	637,801
Cash flows from investing activities:		
Purchase of property and equipment	(15,355)	(1,031)
Proceeds from sale of investments	9,247	91,209
Purchase of investments	(19,485)	(178)
Net cash and equivalents (used in) provided by investing activities	(25,593)	90,000
Net change in cash and equivalents	(682,074)	727,801
Cash and equivalents, beginning of year	2,742,744	2,014,943
<b>Cash and equivalents, end of year</b>	<b>\$ 2,060,670</b>	<b>2,742,744</b>
Supplemental schedule of cash and equivalents:		
Cash and equivalents	\$ 374,745	894,747
Cash and equivalents held in investments	1,685,925	1,847,997
Total cash and cash equivalents	\$ 2,060,670	2,742,744

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

## IMMIGRANT LEGAL ADVOCACY PROJECT

### Notes to Financial Statements

December 31, 2022 and 2021

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#### NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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**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 contributed nonfinancial assets 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, and money market accounts, as well as 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. Per the Organization's administrative policies, this threshold was increased to \$3,000 in February, 2022. 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, 2022 and 2021**

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NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**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.

**Contributed Nonfinancial Assets** - The Organization records contributed nonfinancial assets, 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 revenue for contributed nonfinancial assets, 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 that contribution, for the years ended December 31, 2022 and 2021, 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, 2022 and 2021**

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NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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**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** - During the year ended December 31, 2022, the Organization adopted the provisions of Accounting Standards Update (ASU) No. 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Under this ASU, nonprofit organizations are required to separately present contributed nonfinancial assets (in-kind contributions) as a separate line item in the statement of activities. They are also required to disaggregate by category and present qualitative information on each type of contributed nonfinancial asset in the footnotes.

During the year ended December 31, 2022, the Organization also adopted the provisions of Statement on Auditing Standards (SAS) 142, which expands upon what constitutes as audit evidence and addresses the auditor's responsibility such evidence.

**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.

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CONCENTRATIONS OF CREDIT RISK

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The Organization maintains its cash and investment balances at a financial institution located in Maine. As of December 31, 2022 and 2021, deposits were insured by the FDIC up to a maximum amount of \$250,000, and investment deposits were insured by the SIPC up to a maximum amount of \$500,000. At December 31, 2022 and 2021, the Organization had \$1,227,944 and \$1,795,872, respectively, of uninsured cash and investments.

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MAINE COMMUNITY FOUNDATION CHARITABLE FUND

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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, 2022 and 2021, payments received from this Fund totaled \$713 and \$890, respectively, and are included in "Donations" on the accompanying statements of support, revenue, and expenses - modified cash basis.

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ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

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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).

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2022 and 2021**

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**ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED**

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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, 2022 using:

	<u>Total</u>	<u>Level 1</u>
Cash reserves	\$ 1,685,925	1,685,925
Equities - mid-cap growth	4,542	4,542
<b>Totals</b>	<b>\$ 1,690,467</b>	<b>1,690,467</b>

Fair value measurements at December 31, 2021 using:

	<u>Total</u>	<u>Level 1</u>
Cash reserves	\$ 1,847,997	1,847,997
<b>Totals</b>	<b>\$ 1,847,997</b>	<b>1,847,997</b>

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, 2022 and 2021.

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2022 and 2021**

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**OPERATING LEASE OBLIGATIONS**

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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. This lease ended on September 30, 2022, but it was renewed on October 1, 2022 for a term of two years. Payments on this lease started on October 1, 2022 and range from \$5,480 to \$5,756 per month, plus additional amounts for parking spaces, for the duration of the lease. Rent expense associated with these leases totaled \$74,607 and \$67,674, respectively, for the years ended December 31, 2022 and 2021.

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 \$10,336 and \$10,775 for the years ended December 31, 2022 and 2021, respectively.

In 2018, the Organization entered into a lease for office equipment. The lease called 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 \$10,107 and \$8,728, respectively, for the years ended December 31, 2022 and 2021.

For the years ended December 31, 2022 and 2021, rent expense associated with all leases totaled \$95,050 and \$87,177, respectively.

The following is a summary of future lease commitments as of December 31, 2022:

2023	\$ 83,900
2024	57,200
<b>Total</b>	<b>\$ 141,100</b>

**RETIREMENT PLAN**

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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, 2022 and 2021, retirement plan expenses incurred under this plan totaled \$57,305 and \$51,028, respectively, 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 \$0 and \$1,600 at December 31, 2022 and 2021, 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, 2022 and 2021**

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**RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES**

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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>2022</u>	<u>2021</u>
Gifts restricted by purpose or to future accounting periods	\$ 49,792	16,899
<b>Total net assets with donor restrictions</b>	<b>\$ 49,792</b>	<b>16,899</b>

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

	<u>2022</u>	<u>2021</u>
Board designated funds for long-term investment	\$ 1,000,000	1,000,000
<b>Total board designated net assets</b>	<b>\$ 1,000,000</b>	<b>1,000,000</b>

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**NET ASSETS RELEASED FROM RESTRICTIONS**

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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>2022</u>	<u>2021</u>
Expiration of restrictions by purpose or passage of time	\$ 197,020	200,715
<b>Total net assets released from restrictions</b>	<b>\$ 197,020</b>	<b>200,715</b>

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**REVENUE RECOGNITION**

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During the years ended December 31, 2022 and 2021, the Organization had contract revenue consisting of the following:

	<u>2022</u>	<u>2021</u>
Fees	\$ -	1,302
Fundraising events	4,000	2,750
<b>Total contract revenue</b>	<b>\$ 4,000</b>	<b>4,052</b>

For each of the years ended December 31, 2022 and 2021, goods and services provided to customers included access to services for clinic fees or representation fees, and access to special events.

**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2022 and 2021**

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**REVENUE RECOGNITION, CONTINUED**

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To best match the timing of the transfer of goods or services, the Organization recognizes revenue from contracts with customers when performance obligations are satisfied, which is on the day of the service or event. All prices are fixed and there are no financing terms. 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, 2022 and 2021, the greatest economic factor effecting contract revenue has been inflation and the political climate surrounding immigration.

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. There were no such variable considerations in determining contract transaction prices.

**LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

	<u>2022</u>	<u>2021</u>
Cash and equivalents	\$ 374,745	894,747
Cash and equivalents held in investments	1,595,687	1,758,977
<b>Total</b>	<b>\$ 1,970,432</b>	<b>2,653,724</b>

Of the financial assets, \$49,792 and \$16,899, respectively, at December 31, 2022 and 2021 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.

**CONTRIBUTED NONFINANCIAL ASSETS**

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Contributed nonfinancial assets recognized within the statements of activities amounted to \$1,016,797 and \$715,792 for the years ended December 31, 2022 and 2021, respectively, and consisted of pro-bono attorney hours. Unless otherwise noted, all contributed nonfinancial assets are not subject to any donor restrictions.

All contributed services were utilized to provide legal representation regarding immigration matters to indigent and low income non-citizens of the United States residing in the State of Maine before the Immigration and Naturalization Service, the Executive Office of Immigration Review, and the appropriate federal courts. In valuing these services, the Organization estimated fair value in the financial statements based on current rates for similar services.



**IMMIGRANT LEGAL ADVOCACY PROJECT**  
**Notes to Financial Statements, Continued**  
**December 31, 2022 and 2021**

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SUBSEQUENT EVENTS

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In accordance with FASB ASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through July 19, 2023, which is the date these financial statements were available to be issued.