



JUSTICE FOR OUR NEIGHBORS – NEBRASKA

d/b/a IMMIGRANT LEGAL CENTER

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Justice For Our Neighbors – Nebraska d/b/a Immigrant Legal Center
Omaha, Nebraska

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Justice For Our Neighbors - Nebraska d/b/a Immigrant Legal Center (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on March 23, 2021.

Responsibilities of Management of 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.

INDEPENDENT AUDITORS' REPORT (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

BLAND & ASSOCIATES, P.C.



Omaha, Nebraska
May 31, 2022

JUSTICE FOR OUR NEIGHBORS - NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
STATEMENT OF FINANCIAL POSITION
December 31, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 3,247,986
Employee Retention Credit Receivable	296,912
Current Portion of Contributions Receivable	3,951,837
Prepaid Expenses and Other Assets	31,530
Total Current Assets	7,528,265

PROPERTY AND EQUIPMENT

Software	41,462
Building and Improvements	2,729,721
Office Furniture and Equipment	324,126
Land Improvements	2,500
Land	364,000
Construction in Progress	9,871
	3,471,680
Less Accumulated Depreciation	(536,167)
Total Property and Equipment	2,935,513

OTHER ASSETS

Contributions Receivable, Less Current Portion, Net of Discount	4,586,102
Total Other Assets	4,586,102

\$ 15,049,880

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 116,271
Payroll Liabilities	53,946
Current Portion of Capital Lease Obligations	8,693
Total Current Liabilities	178,910

LONG-TERM LIABILITIES

Capital Lease Obligations, Less Current Portion	7,231
Total Long-Term Liabilities	7,231
Total Liabilities	186,141

COMMITMENTS AND CONTINGENCIES

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NET ASSETS

Without Donor Restrictions	3,851,051
With Donor Restrictions	11,012,688
Total Net Assets	14,863,739

\$ 15,049,880

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

JUSTICE FOR OUR NEIGHBORS - NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
For the Year Ended December 31, 2021

	<u>Without</u> <u>Donor Restrictions</u>	<u>With</u> <u>Donor Restrictions</u>	<u>Total</u>
OPERATING REVENUES AND SUPPORT			
Program Grants	\$ 759,308	\$ 10,924,005	\$ 11,683,313
Gain on Forgiveness of Paycheck Protection Program (PPP) Loan	420,648	-	420,648
Employee Retention Tax Credit Grant Revenue	296,912	-	296,912
Special Events	214,326	-	214,326
Less: Cost of Direct Donor Benefits	(14,426)	-	(14,426)
Contributions	162,488	29,000	191,488
Other Income	86,966	-	86,966
Interest Income	198	-	198
Unrealized Loss	(10,399)	-	(10,399)
Net Assets Released from Restriction	2,705,060	(2,705,060)	-
Total Operating Revenues and Support	<u>4,621,081</u>	<u>8,247,945</u>	<u>12,869,026</u>
OPERATING EXPENSES			
Program Services	2,791,558	-	2,791,558
Management and General	735,646	-	735,646
Fundraising Expenses	325,199	-	325,199
Total Operating Expenses	<u>3,852,403</u>	<u>-</u>	<u>3,852,403</u>
CHANGE IN NET ASSETS	768,678	8,247,945	9,016,623
NET ASSETS - BEGINNING OF YEAR	<u>3,082,373</u>	<u>2,764,743</u>	<u>5,847,116</u>
NET ASSETS - END OF YEAR	<u>\$ 3,851,051</u>	<u>\$ 11,012,688</u>	<u>\$ 14,863,739</u>

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

JUSTICE FOR OUR NEIGHBORS - NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries and Wages	\$ 1,953,311	\$ 247,065	\$ 196,262	\$ 2,396,638
Benefits and Payroll Taxes	398,718	68,353	28,810	495,881
Office Expense	183,958	24,070	51,765	259,793
Rent and Facility	93,667	142,325	2,000	237,992
Depreciation	-	168,693	-	168,693
Professional Services	30,047	46,449	23,269	99,765
Technology	70,304	11,726	9,768	91,798
Staff Development	25,523	4,798	9,128	39,449
Travel	16,235	8,920	717	25,872
Insurance	10,136	12,979	-	23,115
Other Expenses	9,659	268	3,480	13,407
TOTAL FUNCTIONAL EXPENSES	\$ 2,791,558	\$ 735,646	\$ 325,199	\$ 3,852,403

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

JUSTICE FOR OUR NEIGHBORS - NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	9,016,623
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:		
Gain on Forgiveness of Paycheck Protection Program (PPP) Loan		(420,648)
Depreciation		168,693
(Increase) Decrease in Assets:		
Employee Retention Credit Receivable		(296,912)
Contributions Receivable, net of discount		(7,691,229)
Prepaid Expenses and Other Assets		(2,301)
Increase (Decrease) in Current Liabilities:		
Accounts Payable		101,094
Payroll Liabilities		(64,611)
Net Cash Provided By Operating Activities		<u>810,709</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment		(16,753)
Net Cash Used In Investing Activities		<u>(16,753)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Capital Lease Obligations		(10,773)
Proceeds from Contributions Restricted for Investment in Capital Projects		50,000
Net Cash Provided By Financing Activities		<u>39,227</u>

Net Increase in Cash and Cash Equivalents 833,183

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 2,414,803

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 3,247,986

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Donated securities	\$	<u><u>1,405,882</u></u>
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The accompanying notes to financial statements
are an integral part of these statements

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Justice for our Neighbors – Nebraska d/b/a Immigrant Legal Center (the Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Reporting Entity

The Organization is a non-profit organization incorporated in the State of Nebraska. The Organization provides free, high-quality immigration legal services for low income individuals who meet certain federal income poverty guidelines. The Organization is part of a national network of 45 clinics around the country, all of which are projects of the General Board of Global Ministries of the United Methodist Church. The clinics provide a safe haven to vulnerable immigrants who seek free legal counsel to solve their immigration problems.

Basis of Presentation

The Organization maintains its accounts on the accrual basis of accounting.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restriction – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) 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, where the donor stipulates that resources be maintained in perpetuity.

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 by law. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restriction.

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measure of Operations

In the statement of activities and change in net assets, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments, that are perpetual in nature, or other long-term purposes are considered to be restricted cash. The Organization had no amount classified as restricted cash at December 31, 2021.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be received in future years are recorded at the present value of their estimated future cash flows if determined to be material. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The receivables are reviewed for collectability and a provision for uncollectible accounts is recorded based on management's judgement and analysis of individual donors, past collection experience and other relevant factors. No allowance for uncollectible accounts was deemed necessary at December 31, 2021.

Donated Services

The Organization receives benefits from services rendered which are provided free of charge. Revenue and a corresponding expense are recognized at the fair market value of the donated services when either of the following has occurred: donated services create or enhance a non-financial asset or require specialized skills that a provider possesses, which would ordinarily be purchases. There were no donated services reported in 2021.

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
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NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Software	5
Building and Improvements	5-30
Office Furniture and Equipment	3-10
Land Improvements	15

Additions and betterments of \$5,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any resulting gain or loss on disposition is reflected in the statement of activities and change in net assets.

Gifts of cash that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the acquired long-lived assets are placed into service.

Revenue Recognition

The Organization recognizes revenue when a customer obtains controls of promised goods or services, in an amount that reflects the consideration which the Organization expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following five steps: (i) identify the contract with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Organization satisfies the performance obligation. The Organization only applies the five-step model to contracts when it is probable that it will collect the consideration it is entitled to in exchange for the goods and services it transfers to the customer.

At contract inception, once the contract is determined to be within the scope of Topic 606, the Organization assesses the goods or services promised within each contract and determines those that are performance obligations. The Organization then assesses whether each promised good or service is distinct and recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

The Organization recognizes special event revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received at a point in time when the event takes place. Rental income is recognized concurrently as the leased space is occupied in accordance with the agreement.

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. All support and revenues are considered unrestricted unless stipulated by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

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. The expenses that are allocated include salaries and wages, benefits and payroll taxes, staff development, which are allocated based on estimates of time and effort, as well as rent and facility, professional services, office and other expenses, travel, insurance, property taxes and technology, which are allocated based on the number of full-time equivalents per department.

Advertising

The Organization expenses advertising costs as incurred. Total advertising costs for the year ended December 31, 2021, were \$3,544.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. As such, no provision for income taxes is reflected in the financial statements.

The Organization files Form 990, *Return of Organization Exempt from Income Tax*, in the U.S. Federal and state jurisdictions. As of December 31, 2021, the Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements, and

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

there are no material amounts of unrecognized tax benefits. Tax years subsequent to 2018 remain subject to examination by major tax jurisdictions.

Upcoming Accounting Standard Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*: a revision of the 2010 ASU, *Leases (Topic 840)*, which once again revises a previous change to lease accounting standards. The FASB will require an entity to classify the right to use a leased asset as an asset and the obligation to make lease payments as a liability. The revised ASU contains other factors in determining the proper recording of related expenses.

The FASB also decided on a dual approach for lessee accounting, with lease classification determined in accordance with the principle in existing lease requirements (that is, determining whether a lease is effectively an installment purchase by the lessee). A lessee therefore would account for most existing capital/finance leases as Type A leases (that is, recognizing amortization of the right-of-use (ROU) asset separately from interest on the lease liability) and most existing operating leases as Type B leases (that is, recognizing a single total lease expense). Both Type A leases and Type B leases result in the lessee recognizing a ROU asset and a lease liability. The new guidance is effective for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organization. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires enhanced disclosures by category of gifts-in-kind. The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021.

Subsequent Events

Management has evaluated subsequent events through May 31, 2022, which is the date the financial statements were available to be issued.

NOTE B – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash and bank deposit accounts in financial institutions that, at times, may exceed federally insured limits. Interest and noninterest bearing accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
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NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021

NOTE B – CONCENTRATIONS OF CREDIT RISK (Continued)

Organization has not experienced any losses, and it is the opinion of management that the solvency of the referenced financial institutions is not a concern at this time.

NOTE C – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of amounts which are due from one to three years. Contributions receivable were discounted using a rate of 0.13% in 2021. Contributions receivable are due in the following periods.

	2021
Due within one year	\$ 3,951,837
Due after one year through five years	4,599,410
	8,551,247
Less: Discount for time value of money	(13,308)
Contributions receivable, net	\$ 8,537,939

\$500,000 is restricted for capital improvements and is included in Contributions Receivable, Less Current Portion, Net of Discount on the statement of financial position.

NOTE D – REVOLVING BANK LINE OF CREDIT

The Organization has a revolving line of credit agreement that allows for maximum borrowings of \$300,000. The line of credit was originally set to mature on January 25, 2022. Subsequent to year-end the line of credit was renewed through January 25, 2023. The renewed line of credit bears interest at the U.S. Prime rate plus 1.25%, but in no event falls below 3.5% per year. The agreement is secured by a deed of trust. There was no outstanding balance on the line of credit at December 31, 2021.

NOTE E – GAIN ON FORGIVENESS OF PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In April 2020, the Organization was granted a \$420,648 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Organization initially recorded the PPP loan as a note payable and recorded the revenue when the loan was forgiven and legally released from the obligation by the SBA on April 12, 2021.

NOTE F – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position comprise the following at December 31, 2021:

**JUSTICE FOR OUR NEIGHBORS – NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021**

NOTE F – LIQUIDITY AND AVAILABILITY (Continued)

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 3,247,986
Restricted for Property and Equipment	(50,000)
Employee Retention Credit Receivable	296,912
Contributions Receivable	<u>3,951,837</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 7,446,735</u>

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. The Organization’s goal is generally to maintain financial assets to meet 120 days of operating expenses. As part of the liquidity plan, excess cash is invested in short-term investments, including money market accounts. The Organization has a \$300,000 line of credit available to meet cash flow needs, if needed.

NOTE G – OPERATING LEASES

Lessor

The Organization is the lessor of office space under an operating lease agreement expiring in 2025. The property leased under operating leases is included in building and improvements. At December 31, 2021, future minimum lease payments receivable under the noncancelable operation lease is as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 48,860
2023	49,838
2024	50,834
2025	4,243
	<u>\$ 153,775</u>

Rent revenue totaling \$75,891 was recognized in other income in the statement of activities and change in net assets for the year ended December 31, 2021.

Lessee

The Organization leases office space in nine Nebraska cities and one Southwest Iowa city. Two of the leases are under terms that expire in July 2024, while the others are renewed annually. Total rent expense incurred under operating leases totaled \$90,741 for the year ended December 31, 2021.

**JUSTICE FOR OUR NEIGHBORS – NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021**

NOTE G – OPERATING LEASES (Continued)

Lessee

The future minimum lease payments required under the above operating leases as of December 31, 2021 are as follows:

Years Ending December 31,	Amount
2022	\$ 82,257
2023	86,841
2024	52,017
	\$ 221,115

NOTE H – CAPITAL LEASES

The Organization has entered into capital leases for printers. The printers, along with the related liability under the capital leases have been recorded at the present value of the future payments due under the lease, using annual discounted rates between 1.58% and 2.98%. The related liability under the capital leases is payable in monthly installments between \$60 and \$444. The cost of the printers is included in the balance sheet within Office Furniture and Equipment and was \$46,925 at December 31, 2021. Accumulated depreciation was \$26,803 at December 31, 2021. Depreciation expense of \$9,392 on assets acquired under capital leases is included with depreciation expense in the statement of functional expenses for the year ended December 31, 2021.

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of December 31, 2021:

Years Ending December 31,	Amount
2022	\$ 8,693
2023	5,872
2024	1,626
Total minimum lease payments	16,191
Less: Amount representing interest	(267)
Present value of minimum lease payments	15,924
Less: Current maturities of capital lease obligations	(8,693)
Long-term capital lease obligation	\$ 7,231

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
d/b/a IMMIGRANT LEGAL CENTER
NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021

NOTE I – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction at December 31, 2021 are available for the following uses:

Operating grants subject to the passage of time	\$ 2,030,000
Program activities:	
Legal services	4,213,834
Unaccompanied children on the border	4,029,000
Domestic violence	100,000
General operating activities to support rural Iowa	67,854
Technology	22,000
Building and equipment:	
Improvements	550,000
Total net assets with donor restrictions	<u>\$ 11,012,688</u>

NOTE J – RETIREMENT PLAN

The Organization has a tax-exempt deferred 403(b) plan covering all employees. The assets are held for each employee in an individual account maintained by an investment firm. The Organization’s match is 3% of the qualified employee’s contribution. The contribution begins after one year and 1,000 hours of service and is vested 100% at the time of match. The Organization’s contributions to the plan totaled \$61,514 for the year ended December 31, 2021.

NOTE K – RELATED PARTY TRANSACTIONS

The Organization is related to the United Methodist Church and is classified as a Mission under the Church in the state of Nebraska. The Organization recorded \$111,760 in program grants from the United Methodist Church for 2021, which is 0.96% of program grant revenue as of December 31, 2021.

NOTE L – EMPLOYEE RETENTION CREDIT GRANT REVENUE

The Employee Retention Credit (ERC) was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. It was intended to help businesses retain their workforces and avoid layoffs during the coronavirus pandemic. It provides a per employee credit to eligible businesses based on a percentage of qualified wages and health insurance benefits paid to employees. It works as a refundable payroll tax credit claimed quarterly, and it can provide reductions to payroll taxes or cash refunds. The CARES Act did not allow businesses that received PPP loans to also claim the ERC, but the Consolidated Appropriations Act, which was enacted at the end of 2020, retroactively removed the limitation so entities that had applied for or received PPP loans could still get the ERC.

JUSTICE FOR OUR NEIGHBORS – NEBRASKA
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NOTES TO FINANCIAL STATEMENTS (Continued)
Year Ended December 31, 2021

NOTE L – EMPLOYEE RETENTION CREDIT GRANT REVENUE (Continued)

The Organization accounted for ERC using the conditional contribution model. As of December 31, 2021, approximately \$296,912 in ERC Receivable represents refunds due on the 2021 Form 941 Employer Quarterly Federal Tax Return for the quarter ended June 30 2021 which had not yet been received as of December 31, 2021.

For the year ended December 31, 2021, the Organization concluded all conditions regarding qualification for ERC were met and recognized approximately \$296,912 of revenue included in the statement of activities and change in net assets for the year ended December 31, 2021.

NOTE M – CONCENTRATIONS OF MAJOR DONORS

The Organization received a substantial portion of its support for the year ended December 31, 2021 from one major donor who accounted for 62% of total program grant revenue and 59% of total contributions receivable at December 31, 2021.