Interfaith Community for Detained Immigrants

INTERFAITH COMMUNITY
FOR DETAINED IMMIGRANTS

Financial Statements

For the Year Ended
June 30, 2020

Illinois NFP Audit and Tax, LLP

Interfaith Community for Detained Immigrants

Table of Content

Illinois NFP Audit & Tax, LLP
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Interfaith Community for Detained Immigrants
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Interfaith Community for Detained Immigrants, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

564 West Randolph Street, Suite #200, Chicago, Illinois 60661
Phone: (312) 998-5500 | Fax: (312) 262-2857 | www.nfpaudittax.com

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Community for Detained Immigrants as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

IL NFP Audit & Tax, LLP

Chicago, Illinois

March 29, 2021

Interfaith Community for Detained Immigrants
Statement of Financial Position
June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Current Assets			
Cash	$ 379,369	$ 0	$ 379,369
Accounts Receivable	54,500	0	54,500
Total Current Assets	433,869	0	433,869
Fixed Assets			
Leasehold Improvements	55,874	0	55,874
Equipment	13,036	0	13,036
Total Fixed Assets Cost	68,910	0	68,910
Less – Accumulated Depreciation and Amortization	23,535	0	23,535
Total Fixed Assets	45,375	0	45,375
Total Assets	$ 479,244	$ 0	$ 479,244
Liabilities and Net Assets			
Non-Current Liabilities			
Note Payable	$ 78,812	$ 0	$ 78,812
Total Non-Current Liabilities	78,812	0	78,812
Total Liabilities	78,812	0	78,812
Total Net Assets	400,432	0	400,432
Total Liabilities and Net Assets	$ 479,244	$ 0	$ 479,244

Interfaith Community for Detained Immigrants
Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support and Gains			
Grants and Contributions	$ 958,342	$ 0	$ 958,342
Program Fees	41,800	0	41,800
Interest Income	140	0	140
Net Assets Released from Restrictions:			
Satisfaction of Program Restriction	0	0	0
Expiration of Time Restrictions	0	0	0
Total Revenue, Support and Gains	1,000,282	0	1,000,282
Functional Expenses			
Program Services	510,974	0	510,974
Management and General	92,299	0	92,299
Fundraising	86,895	0	86,895
Total Functional Expenses	690,168	0	690,168
Change in Net Assets	310,114	0	310,114
Net Assets,			
Beginning of Year	90,318	0	90,318
End of Year	$ 400,432	$ 0	$ 400,432

Interfaith Community for Detained Immigrants
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Functional Expenses				
Personnel				
Salaries	$ 306,751	$ 36,088	$ 18,044	$ 360,883
Payroll Taxes	23,024	2,709	1,354	27,087
Total Personnel	329,775	38,797	19,398	387,970
Assistance to Others	54,229	0	0	54,229
Bank Fees	0	2,021	0	2,021
Depreciation	3,570	420	210	4,200
Dues and Subscriptions	0	886	0	886
Hotline	13,329	0	0	13,329
Insurance	28,233	3,322	1,661	33,216
Interest Expense	0	1,855	0	1,855
Licenses and Fees	0	295	0	295
Meetings and Conferences	1,300	1,730	0	3,030
Miscellaneous	0	1,797	0	1,797
Occupancy	50,623	5,595	2,797	59,015
Office	0	7,038	0	7,038
Postage	39	1,835	1,500	3,374
Printing	95	4,343	5,390	9,828
Professional Fees	5,145	19,971	25,611	50,727
Staff Development	747	1,574	0	2,321
Supplies and Materials	18,534	0	30,328	48,862
Telephone	1,283	820	0	2,103
Travel	4,072	0	0	4,072
Total Functional Expenses	$ 510,974	$ 92,299	$ 86,895	$ 690,168

Interfaith Community for Detained Immigrants
Statement of Cash Flows
For the Year Ended June 30, 2020

Cash Flows from Operating Activities		
Received from Supporters and Other Sources	$	974,642
Interest Received		140
Paid to Vendors and Employees		(694,481)
Interest Paid		(1,855)
Income Taxes Paid		0
Net Cash Provided by Operating Activities		278,446
Cash Flows from Financing Activities		
Proceeds from Issuance of Note Payable		78,812
Net Cash Provided by Financing Activities		78,812
Net Increase in Cash		357,258
Cash		
Beginning of Year		22,111
End of Year	$	379,369
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in Net Assets	$	310,114
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization		4,200
Changes in Certain Assets and Liabilities:		
Accounts Receivable		(25,500)
Accounts Payable		(10,368)
Total Adjustments		(31,668)
Net Cash Provided by Operating Activities	$	278,446

Note 1 - Principal Activity and Significant Accounting Policies

Organization and Nature of Activities

Interfaith Community for Detained Immigrants (the "Organization") is a not-for-profit corporation incorporated in 2012. The Organization is a faith-based organization of staff and volunteers called to respond actively and publicly to the suffering of all individuals and communities affected by immigration detention, deportation, and post-detention through pastoral care, advocacy, public witness and other activities.

The Organization is a prophetic voice for just and humane treatment of immigrants caught in the immigration detention process. The Organization upholds the dignity and basic human rights of each individual as it stands in solidarity with its immigrant sisters and brothers as a powerful collective voice to minimize the use of detention and to seek justice. The Organization believes that everyone, regardless of national origin, has basic human rights, including livelihood, family unity, and physical and emotional safety. The Organization also seeks to provide national leadership and models for detention work and general interfaith collaboration. The Organization provides the following programs to help achieve its mission:

Deportation Accompaniment - The Organization provides Prayer Vigil at Broadview, Prayer on the Buses and Pastoral Care to support deportation victims.

Prayer Vigil at Broadview - Comprises of people of faith joining together in a prayer vigil every Friday morning at 7:15 AM, at Broadview Immigration Processing Center, to provide public witness to the injustices of the U.S. immigration system. An interfaith prayer service is held on the first Friday of every month. The Rosary is prayed on the remaining Fridays.

Prayer on the Buses - Each Friday morning, buses filled with men and women shackled by their hands, feet, and waists leave for local airports to be deported. Clergy, lay leaders and people of faith offer prayers on the buses to accompany them in their difficult journey and to let them know that people of faith stand with them and are working to change these unjust policies.

Pastoral Care - Volunteers support families as they come to say goodbye to their loved ones.

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Organization and Nature of Activities (Continued)

Court Watch - Students, religious leaders, and people of faith serve as a presence in the Immigration Court to let those involved in the court system know that people are watching and care about what happens to their immigrant sisters and brothers. It is the Organization's goal that through monitoring and documenting the Organization can bring transparency to this broken system and support the urgent need for more just immigration policies. Court Watch is also a ministry of presence. People in detention are not physically present in court. They hear the proceeding and communicate with the judge via video camera. They are comforted knowing that there are Court Watch volunteers present. Court Watch volunteers are present at hearings morning and afternoon, Monday through Thursday.

Jail Visitation Ministry - Since Illinois' Access to Religious Ministry Act became law in 2008, volunteers have been providing pastoral care to people in detention. Teams of volunteers visit people weekly in immigrant detention at four different locations. Annually the Organization's volunteers visit over 1,200 detained immigrants. Weekly the Organization places $10 into commissary accounts of individuals as their accounts become depleted. People in detention use this money for basic daily needs. The cost of this program for both jails can be over $1,000 a week. Visits occur during daytime hours on specific days in McHenry County Jail, Kenosha County Detention Center, Dodge County Detention Center, and Jerome Combs Detention Center (in Kankakee).

Post-Detention - The Organization offers a hotline and hospitality services for individuals released from detention.

Hotline - For people released from ICE custody, the Organization has a hotline they can call for assistance. Volunteers respond to hotline calls and provide weather appropriate clothing and shoes, meals, short-term stays, bus tickets, a backpack with essential items, and other needs. The Organization helps people get back to family or friends who are often in other states.

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Organization and Nature of Activities (Continued)

Hospitality - For people who have nowhere to live upon release, the Organization provides transitional shelter while they wait for future court dates or work permits. The Marie Joseph House of Hospitality provides food and shelter for men, women, and families with children. A case manager connects people to educational, ESL, religious, health, and legal services. Living in a supportive and caring environment helps people heal and adjust to life in the United States. This trauma-informed care model is what the Organization believes people entering the U.S. and seeking asylum should receive.

<u>Unaccompanied Children</u> - The Organization provide pastoral care to migrant children from around the world. The Organization accompanies children who are diverse in almost every way imaginable, representing different countries, language groups, religions, socio-economic backgrounds, and ages. The Organization facilitates a connection with the sacred during a very critical period in their life journeys.

Basis of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not designated any amounts from net assets without donor restrictions as of June 30, 2020.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities 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 excluded from this definition.

Receivables and Allowance for Doubtful Accounts

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible.

Fixed Assets

The Organization records fixed asset additions over $500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. For the year ended June 30, 2020, depreciation expense amounts to $2,168, and amortization expense amounts to $2,032.

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Fixed Assets (Continued)

The Organization reviews the carrying values of fixed assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2020.

Deferred Revenue

Exchange transactions in which a reciprocal transfer of assets occurs are recorded as deferred revenue if said transactions are unfulfilled as of year-end. The Organization has no deferred revenue as of June 30, 2020.

Revenue Recognition - Grants and Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Conditional promises to give are not recognized until they become unconditional. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization when the restrictions are released.

Revenue Recognition - Program Services

Program services revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for said services. The Organization typically bills for services prior to the delivery of services. Revenue is recognized as the underlying performance obligations are satisfied.

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Revenue Recognition - Program Services (Continued)

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges.

Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code, therefore, the financial statements do not include a provision for income taxes. The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. Thisincludes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions. The Organization has identified no significant income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

Functional Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization allocates functional expenses mainly on the basis of estimates of time and effort.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted 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.

Note 1 - Principal Activity and Significant Accounting Policies (Continued)

Advertising costs

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed the first time the advertising takes place, except for direct-response advertising, which is capitalized and amortized over its expected period of future benefits. The Organization had no direct-response advertising during the year ended June 30, 2020. Advertising costs amount to $0 for the year ended June 30, 2020.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit, when applicable, with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. As of June 30, 2020, the Organization holds $49,945 of deposits above federally insured limited. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with receivables and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable donors highly supportive of the Organization's mission. When applicable, although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Note 2 - Accounts Receivable

At June 30, 2020, accounts receivable comprise of the following:

Collectible in Fiscal Year 2021	$	54,500
Less: Discount to Net Present Value		0
Less: Allowance for Doubtful Accounts		0
Accounts Receivable	$	54,500

Note 3 - Note Payable

On April 22, 2020, the Organization was approved for a loan in the aggregate amount of $78,812, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), which was enacted on March 27, 2020.

The loan, which was in the form of a note payable dated April 22, 2020 matures on April 22, 2022 and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 22, 2020. The note payable is unsecured.

The PPP, established as part of the CARES Act, provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Organization cannot assure that it will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part.

The PPP note payable balance amounts to $78,812 as of June 30, 2020. Unless forgiven, future principal and interest maturities that exist as of June 30, 2020 are as follows:

	Principal
For the Year Ended June 30, 2021	$ 0
June 30, 2022	78,812
	$ 78,812

Note 4 - In-Kind Donations

Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. For the year ended June 30, 2020, the Organization received no donated services that meet the recognition criteria prescribed by generally accepted accounting principles.

Donated goods are recorded at fair value on the date of donation. For the year ended June 30, 2020, no donated goods were received by the Organization.

Donated space is recorded at fair value on the date of donation. For the year ended June 30, 2020, no donated space was received by the Organization.

Note 5 - Leases Commitments

The Organization leases space in Chicago, Illinois under a lease agreement through June 30, 2028. The lease agreement calls for monthly rent of $4,000 from July 2018 through June 2028.

Rent expense amounts to $48,646 for the year ended June 30, 2020. Future minimum lease payments are as follows:

For the Year Ended June 30, 2021	$	48,000
2022		48,000
2023		48,000
2024		48,000
2025		48,000
2026 - 2028		144,000
	$	384,000

Note 6 - Net Asset Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to Expenditure for Specific Purpose:		
None as of June 30, 2020	$	0
Subject to Passage of Time:		
None as of June 30, 2020		0
Total Net Assets with Restrictions	$	0

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions or by the occurrence of the passage of time or other events specified by donors during the year ended June 30, 2020:

Purpose Restrictions Accomplished:		
None as of June 30, 2020	$	0
Time Restrictions Expired:		
None as of June 30, 2020		0
Total Restrictions Released	$	0

Note 7 - Liquidity and Availability of Financial Assets

At June 30, 2020, the Organization has $433,869 of financial assets, excluding non-spendable financial assets, available for general expenditures within one year of the balance sheet date. None of this amount is subject to donor timing or purpose restrictions, excluding general operation restrictions, expiring within one year. No other contractual restrictions exist that make current financial assets unavailable for general expenditure within one year of the balance sheet date. As of June 30, 2020, the Organization does not expect that its liquidity will deteriorate.

Note 7 - Liquidity and Availability of Financial Assets (Continued)

Financial assets available within one year of the balance sheet for general expenditures comprise of the following:

Financial Assets Available for General Expenditure:		
Cash	$	379,369
Accounts Receivable		54,500
Total Financial Assets Available for General Expenditure		433,869
Less: Financial Assets Pledged as Collateral		0
Less: Financial Assets Subject to Donor Timing or Purpose Restrictions		0
Total Financial Assets Available to Meet Cash Needs for General Use Within One Year	$	433,869

Note 8 - Recently Implemented Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes the previous revenue recognition requirements in Topic 605, Revenue Recognition. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance was adopted by the Organization during the year ended June 30, 2020.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. With relation to not-for-profit organizations, the ASU eliminates the requirement to disclose fair value of financial instruments measured at amortized cost, and requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the statement of financial position or within the notes to the financial statements. The new guidance was adopted by the Organization during the year ended June 30, 2020.

Note 9 - Upcoming Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The reporting of lease-related expenses in the statement of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending June 30, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is not expected to have a significant effect on the the Organization statement of financial position.

Note 10 - Concentration of Grants

The Organization continuously attempts to diversify its revenue base, and as such, does not have a major revenue concentration from a specific grantor as of June 30, 2020.

Note 11 - Subsequent Events

The date to which events occurring after June 30, 2020, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is March 29, 2021, which is the date on which the financial statements were available to be issued.