



CHIRLA

**Coalition for Humane
Immigrant Rights**

COALITION FOR HUMANE IMMIGRANT RIGHTS

(a Nonprofit Organization)

CONSOLIDATED FINANCIAL STATEMENTS

with

INDEPENDENT AUDITORS' REPORT

June 30, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors of
Coalition for Humane Immigrant Rights

Opinion

We have audited the accompanying consolidated financial statements of Coalition for Humane Immigrant Rights (a nonprofit organization) ("CHIRLA"), which comprise of the consolidated statements of financial position as of June 30, 2023 and 2022, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Coalition for Humane Immigrant Rights (CHIRLA) as of June 30, 2023 and 2022, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Coalition for Humane Immigrant Rights (CHIRLA) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coalition for Humane Immigrant Rights (CHIRLA)'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards and Government 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 individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government 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 Coalition for Humane Immigrant Rights (CHIRLA)'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 Coalition for Humane Immigrant Rights (CHIRLA)'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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2024 on our consideration of Coalition for Humane Immigrant Rights (CHIRLA)'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coalition for Humane Immigrant Rights (CHIRLA)'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Coalition for Humane Immigrant Rights (CHIRLA)'s internal control over financial reporting and compliance.

Frith-Smith & Archibald, LLP

Woodland Hills, CA

February 7, 2024

COALITION FOR HUMANE IMMIGRANT RIGHTS
(a Nonprofit Organization)
Consolidated Statement of Financial Position
June 30,

ASSETS	2023	2022
Current assets		
Cash and cash equivalents	\$ 21,314,537	\$ 5,234,176
Investment in securities	31,579	33,321
Due from related organization	-	186,439
Receivables	16,811,311	2,968,608
Grants recievable	7,002,658	14,435,680
Prepaid expenses	276,181	256,576
Other current assets	10,132	6,866
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Total current assets	45,446,398	23,121,666
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Deposits	388,140	21,521
Film productions costs, net of accumulated amortization	1,047,043	937,606
Property and equipment, net of accumulated depreciation	336,307	174,323
Lease right-of-use assets, net of amortization	421,423	
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Total assets	\$ 47,639,311	\$ 24,255,116
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LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 2,837,168	\$ 1,468,506
Grants payable	7,002,658	14,435,680
Due to related organization	63,532	
Accrued expenses	908,635	767,125
Deferred contract revenue	5,048,776	562,834
Current portion of lease liabilities	347,372	
Other liabilities		23,500
Line of credit		400,000
	<hr/>	<hr/>
Total current liabilities	16,208,141	17,657,645
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Long-term portion of lease liabilities	86,637	
	<hr/>	<hr/>
Total liabilities	16,294,778	17,657,645
Net Assets		
Without donor restrictions		
Undesignated	2,770,551	608,467
Board-designated	1,902,813	1,350,000
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Total net assets without donor restrictions	4,673,364	1,958,467
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Total net assets with donor restrictions	26,671,169	4,639,004
	<hr/>	<hr/>
Total net assets	31,344,533	6,597,471
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Total liabilities and net assets	\$ 47,639,311	\$ 24,255,116
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See Independent Auditors' Report and Accompanying Notes

COALITION FOR HUMANE IMMIGRANT RIGHTS
(a Nonprofit Organization)
Consolidated Statement of Activities, including Changes in Net Assets
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Grants and donations	\$ 6,179,310	\$ 4,449,066	\$ 10,628,376
Government contracts	-	33,966,572	33,966,572
Membership fees	19,381		19,381
Special events, net	149,653		149,653
Other revenue	2,287		2,287
Dividends and interest	111,600		111,600
Realized and unrealized net gain/(loss) on investments	(1,742)		(1,742)
Release of temporarily restricted net assets	16,383,473	(16,383,473)	-
Total revenues	<u>22,843,962</u>	<u>22,032,165</u>	<u>44,876,127</u>
Expenses			
Program services			
Civic Engagement and Political	1,409,110		1,409,110
Communications and Public Relations	648,693		648,693
Community Education & Outreach	1,421,118		1,421,118
External Affairs	580,555		580,555
Humanitarian and Migrant Assistance	285,454		285,454
Immigrant Welcome and Empowerment Center	32,806		32,806
Membership	727,878		727,878
Organizing	1,725,710		1,725,710
Policy & Advocacy	1,118,514		1,118,514
Legal Services	7,469,486		7,469,486
Marketing and Public Relations	20,833		20,833
Programs & Subcontract Administration	559,054		559,054
Total program services	<u>15,999,211</u>	<u>-</u>	<u>15,999,211</u>
Support services			
Management and general	3,261,697		3,261,697
Fundraising	868,157		868,157
Total support services	<u>4,129,854</u>	<u>-</u>	<u>4,129,854</u>
Total expenses	<u>20,129,065</u>	<u>-</u>	<u>20,129,065</u>
Change in net assets	2,714,897	22,032,165	24,747,062
Net assets, beginning of year	1,958,467	4,639,004	6,597,471
Net assets, end of year	<u>\$ 4,673,364</u>	<u>\$ 26,671,169</u>	<u>\$ 31,344,533</u>

See Independent Auditors' Report and Accompanying Notes

COALITION FOR HUMANE IMMIGRANT RIGHTS
(a Nonprofit Organization)
Consolidated Statement of Activities, including Changes in Net Assets
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support			
Grants and donations	\$ -	\$ 5,764,350	\$ 5,764,350
Government contracts	-	12,369,461	12,369,461
In-kind contributions	28,913		28,913
Program revenue	3,465		3,465
Membership fees	19,590		19,590
Special events, net	225,674		225,674
Other revenue	12,109		12,109
Dividends and interest	864		864
Realized and unrealized net gain/(loss) on investments	4,408		4,408
Release of temporarily restricted net assets	14,591,358	(14,591,358)	
Total revenues	14,886,381	3,542,453	18,428,834
Expenses			
Program services			
Community outreach and education	1,163,691		1,163,691
Policy and advocacy	819,245		819,245
Organizing	1,377,532		1,377,532
Civic engagement	428,829		428,829
Legal services	5,781,579		5,781,579
Coalition and external affairs	674,592		674,592
Programs and subcontract administration	907,457		907,457
Membership	482,006		482,006
Communications and public relations	447,277		447,277
Total program services	12,082,208	-	12,082,208
Support services			
Management and general	2,673,883		2,673,883
Fundraising	617,640		617,640
Total support services	3,291,523	-	3,291,523
Total expenses	15,373,731	-	15,373,731
Change in net assets	(487,350)	3,542,453	3,055,103
Net assets, beginning of year	2,858,017	1,096,551	3,954,568
Prior period adjustment	(412,200)		(412,200)
Net assets, end of year	\$ 1,958,467	\$ 4,639,004	\$ 6,597,471

See Independent Auditors' Report and Accompanying Notes

COALITION FOR HUMANE IMMIGRANT RIGHTS
(a Nonprofit Organization)
Consolidated Statement of Functional Expenses
June 30, 2023

	Program Activities											Supporting Activities				
	Civic Engagement & Political	Communications & Public Relations	Community Education & Outreach	External Affairs	Humanitarian and Migrant Assistance	Immigrant Welcome and Empowerment Center	Membership	Organizing	Policy & Advocacy	Legal Services	Marketing & Public Relations	Programs & Subcontract Admin.	Total Program Expenses	Management and General	Fundraising	Total
Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,731	\$ -	\$ 120,731
Advertising and promotion expense	-	783	5,158	-	-	-	3,078	-	-	20	-	-	9,039	61,777	8,295	79,111
Business licenses and permits	-	-	1,300	-	-	-	-	-	-	3,789	-	-	5,089	4,452	10	9,551
Client fees - other	-	-	-	-	-	-	-	-	-	3,909	-	-	3,909	-	-	3,909
Client Fees - USCIS	-	-	-	-	-	-	-	-	-	547,385	-	-	547,385	-	-	547,385
Credit card and bank processing	-	-	4	-	-	-	1,193	44	-	2,245	-	-	3,486	5,891	8,972	18,349
Depreciation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	79,022	-	79,022
Events expenses	20,182	4,647	19,947	2,660	4,178	-	55,454	101,165	19,405	33,656	-	144	261,438	106,900	78,614	446,952
Furniture and Equip. purchases and rental	-	150	-	-	-	-	-	-	-	-	-	-	150	1,253	-	1,403
Information technology	33,227	18,204	39,953	16,800	5,938	-	18,919	42,007	24,849	169,687	-	17,624	387,208	95,087	24,936	507,231
Insurance	4,918	2,696	5,894	2,493	881	-	2,807	6,233	3,687	24,593	-	2,615	56,817	11,713	2,994	71,524
Interest expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	2,543	-	2,543
Member support	-	-	-	-	-	-	5,300	-	-	-	-	-	5,300	-	-	5,300
Office cleaning and maintenance	2,300	1,261	2,757	1,166	412	-	1,313	2,915	1,724	11,502	-	1,223	26,573	5,478	1,400	33,451
Office rent and parking	40,137	21,949	47,990	20,194	7,174	-	22,856	50,747	30,020	196,695	-	21,291	459,053	106,816	24,377	590,246
Office security	3,623	1,986	4,342	1,836	649	-	2,068	4,592	2,716	18,117	-	1,926	41,855	8,629	2,206	52,690
Office supplies	13,028	8,025	17,578	9,074	2,637	-	8,363	18,565	10,997	73,317	-	7,779	169,363	34,902	8,932	213,197
Office utilities	264	145	316	134	47	-	151	334	198	1,319	-	140	3,048	628	160	3,836
Other contractors	284,950	11,221	11,794	-	2,500	32,806	1,000	750	35,848	60,230	20,833	-	461,932	32,750	83,236	577,918
Outside legal counsel	-	-	-	-	-	-	-	-	11,881	2,583	-	-	14,464	-	-	14,464
Paid lobbyists	-	-	-	-	-	-	-	-	32,000	-	-	-	32,000	-	-	32,000
Payroll service fees	4,907	2,690	5,882	2,488	879	-	2,801	6,220	3,680	24,542	-	2,610	56,699	11,689	2,988	71,376
Postage and delivery expense	5,564	3,050	6,669	2,820	997	-	3,176	7,052	4,172	27,825	-	2,959	64,284	13,252	3,387	80,923
Payroll benefits	32,641	52,259	141,492	43,286	16,478	-	38,810	182,879	47,634	539,645	-	15,168	1,110,292	270,054	46,064	1,426,410
Payroll taxes	64,161	34,609	75,043	31,969	11,466	-	36,921	78,181	46,494	315,194	-	33,500	727,538	187,866	39,482	954,886
Printing and publications	5,664	3,862	22	122	-	-	276	1,761	423	216	-	-	12,346	8,236	8,203	28,785
Salary and wages	841,430	461,289	1,008,551	426,532	150,773	-	480,336	1,066,536	630,918	4,208,171	-	447,461	9,721,997	2,004,227	512,316	12,238,540
Scholarships	-	-	-	-	-	-	5,000	6,000	-	-	-	-	11,000	-	-	11,000
Staff appreciation and retreats	165	-	-	-	-	-	515	-	25	5,060	-	-	5,765	7,194	67	13,026
Staff books and reference materials	-	-	-	-	-	-	1,589	-	9	-	-	-	1,598	3,048	-	4,646
Staff professional licenses and dues	-	-	5	-	-	-	-	-	2,500	8,912	-	510	11,927	573	-	12,500
Staff training and development	33	140	-	-	-	-	139	-	1,190	499	-	-	2,001	2,594	1,349	5,944
Telephone	10,563	9,158	12,325	4,574	3,157	-	6,779	18,348	6,448	35,510	-	3,901	110,763	21,485	5,175	137,423
Travel	25,500	10,254	13,925	13,607	77,221	-	28,976	121,028	153,730	63,378	-	203	507,822	49,470	4,994	562,286
Uncollectible pledges	-	-	-	-	-	-	-	-	-	22,565	-	-	22,565	-	-	22,565
Vehicle and Equip. repair and maintenance	603	315	171	-	67	-	58	10,353	356	1,668	-	-	13,591	3,437	-	17,028
Subtotal	1,393,860	648,693	1,421,118	579,755	285,454	32,806	727,878	1,725,710	1,070,904	6,402,232	20,833	559,054	14,868,297	3,261,697	868,157	18,998,151
Contributions to partner organizations	15,250	-	-	800	-	-	-	-	47,610	99	-	-	63,759	-	-	63,759
Grants and contributions	-	-	-	-	-	-	-	-	-	1,067,155	-	-	1,067,155	-	-	1,067,155
Total	\$ 1,409,110	\$ 648,693	\$ 1,421,118	\$ 580,555	\$ 285,454	\$ 32,806	\$ 727,878	\$ 1,725,710	\$ 1,118,514	\$ 7,469,486	\$ 20,833	\$ 559,054	\$ 15,999,211	\$ 3,261,697	\$ 868,157	\$ 20,129,065

See Independent Auditors' Report and Accompanying Notes

COALITION FOR HUMANE IMMIGRANT RIGHTS
(a Nonprofit Organization)
Consolidated Statement of Functional Expenses
June 30, 2022

	Program Activities									Supporting Activities			
	Community Outreach and Education	Policy and Advocacy	Organizing	Civic Engagement	Legal Services	Membership	Communication s and Public Relations	Coalition and External Affairs	Programs and Subcontract Admin	Total Program Expenses	Management and General	Fundraising	Total
Accounting	\$	\$	\$	\$	\$	\$	\$ -	\$ -	\$ -	\$	\$ 62,195		\$ 62,195
Advertising and promotion expense				7,000		6,263	67			13,330	23,094	25,065	61,489
Business licenses and permits				250	161					411	25,444	1,500	27,355
Client fees - other					1,050					1,050			1,050
Client Fees - USCIS					1,023,165					1,023,165			1,023,165
Credit card and bank processing			101		140	1,700				1,941	4,442	8,310	14,693
Depreciation expense										-	60,186		60,186
Events expenses	4,998	13,242	60,489	14,139	19,782	38,964	11,064	33,804		196,482	23,437	77,363	297,282
Furniture and equipment purchases and rental					1,603					1,603	1,950		3,553
Information technology	583	23,651		24,128	45,364		8,538	163		102,427	255,706	2,097	360,230
Insurance	4,955	2,998	5,867	1,660	21,806	1,749	2,049	1,906	25	43,015	10,066	2,373	55,454
Interest expenses					150					150	25,528		25,678
Member support						65,375				65,375			65,375
Office cleaning and maintenance	6,338	3,834	7,505	2,123	27,891	2,237	2,621	2,438	32	55,019	11,856	3,035	69,910
Office rent and parking	46,107	27,893	54,597	15,444	202,908	16,276	19,070	17,735	229	400,259	86,255	22,081	508,595
Office security	4,623	2,797	5,474	1,549	20,345	1,632	1,912	1,778	23	40,133	8,649	2,214	50,996
Office supplies	8,604	5,205	10,188	2,882	37,862	3,037	3,558	3,309	43	74,688	16,095	4,120	94,903
Office utilities					3,966					3,966	325		4,291
Other contractors	23,300	23,165		49,975	34,848	3,885	4,688	63,750		203,611	89,558	17,293	310,462
Outside legal counsel										-	28,997		28,997
Paid lobbyists		40,000								40,000			40,000
Payroll service fees	4,558	2,757	5,397	1,527	20,057	1,609	1,885	1,753	23	39,566	8,526	2,183	50,275
Postage and delivery expense	117	22	338		56,293	1,004				57,774	3,510	93	61,377
Payroll benefits	101,690	30,120	130,857	11,127	355,210	20,773	27,681	23,464	115	701,037	236,539	30,637	968,213
Payroll taxes	58,007	37,148	69,331	19,960	257,825	21,810	24,345	22,223	294	510,943	134,616	27,350	672,909
Printing and publications	760	240	753	12	141	3,795	46			5,747	7,247	6,051	19,045
Salary and wages	786,842	476,010	936,922	263,563	3,462,842	277,767	325,435	297,470	3,846	6,830,697	1,472,007	376,829	8,679,533
Scholarships			24,250							24,250			24,250
Staff appreciation and retreats			754	145	3,592					4,491	11,246	475	16,212
Staff books and reference materials		4								4	115		119
Staff professional licenses and dues	72	2,500			7,557			300		10,429	2,532		12,961
Staff training and development		1,165	1,500	594	2,090					5,349	15,500		20,849
Telephone	16,757	8,556	24,508	6,847	56,446	5,952	8,954	6,894	57	134,971	28,831	7,266	171,068
Travel	1,720	117,938	27,924	3,404	35,844	3,250	5,329	7,153		202,562	10,920	305	213,787
Uncollectible pledges	93,660		10,100	2,500	81,620	4,500		3,300		195,680		1,000	196,680
Vehicle and equipment repair and maintenance			677		1,021	428	35			2,161	8,511		10,672
Subtotal	1,163,691	819,245	1,377,532	428,829	5,781,579	482,006	447,277	487,440	4,687	10,992,286	2,673,883	617,640	14,283,809
Contributions to partner organizations								27,152		27,152	-	-	27,152
Grants and contributions								160,000	902,770	1,062,770	-	-	1,062,770
Total	\$ 1,163,691	\$ 819,245	\$ 1,377,532	\$ 428,829	\$ 5,781,579	\$ 482,006	\$ 447,277	\$ 674,592	\$ 907,457	\$ 12,082,208	\$ 2,673,883	\$ 617,640	\$ 15,373,731

See Independent Auditors' Report and Accompanying Notes

COALITION FOR HUMANE IMMIGRANT RIGHTS
(a Nonprofit Organization)
Consolidated Statement of Cash Flows
Year Ended June 30,

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 24,747,062	\$ 3,055,103
Adjustments to reconcile change in net assets to		
Net cash provided by/(used in) operating activities		
Depreciation	79,022	60,186
Prior period adjustment		(412,200)
Net change in ROU lease assets and liabilities	12,586	
Donated stock		(28,913)
Unrealized (gain) / loss on marketable securities	1,742	(4,408)
Increase (decrease) in:		
Receivables	(21,275,725)	3,642,576
Due to/from related organization	249,971	(123,582)
Other current assets	(22,871)	(113,848)
Security and escrow deposits	(366,619)	(2,734)
Accounts payable	1,368,662	989,314
Accrued expenses	141,510	253,610
Deferred contract revenue	4,485,942	(1,798,896)
Other liabilities	(23,500)	13,000
Net cash provided by/(used in) operating activities	<u>9,397,782</u>	<u>5,529,208</u>
Cash flows from investing activities		
Cash paid for film production costs	(109,437)	(151,658)
Purchases of property and equipment	(241,006)	(113,591)
Net cash provided by/(used in) investing activities	<u>(350,443)</u>	<u>(265,249)</u>
Cash flows from financing activities		
Cash paid for repayment of loan	(400,000)	(400,000)
Net cash provided by/(used in) financing activities	<u>(400,000)</u>	<u>(400,000)</u>
Net increase/(decrease) in cash and equivalents	8,647,339	4,863,959
Cash, beginning of year	<u>5,234,176</u>	<u>370,217</u>
Cash, end of year	<u><u>\$ 13,881,515</u></u>	<u><u>\$ 5,234,176</u></u>

See Independent Auditors' Report and Accompanying Notes

COALITION FOR HUMANE IMMIGRANT RIGHTS
(a Nonprofit Organization)
Notes to Consolidated Financial Statements
June 30, 2023 and 2022

1. ORGANIZATION

The Coalition for Humane Immigrant Rights (“the Organization” or “CHIRLA”) (f/k/a Coalition for Humane Immigrant Rights of Los Angeles) is a not-for-profit organization that was founded in 1986. CHIRLA is a California leader with national impact made up of diverse immigrant families and individuals who act as agents of social change to achieve a world with freedom of mobility, full human rights, and true participatory democracy. CHIRLA’s mission is to achieve a just society fully inclusive of immigrants. CHIRLA organizes and serves individuals, institutions and coalitions to build power, transform public opinion, and change policies to achieve full human, civil and labor rights. Guided by the power, love, and vision of our community, CHIRLA embraces and drives progressive social change. For over 30 years, CHIRLA’s innovative programming in community education, community organizing, legal services, civic engagement, policy and advocacy, and leadership development for youth has served the immigrant communities of the Los Angeles region. CHIRLA was formed in response to the Immigration Reform and Control Act (IRCA) of 1986 which made hiring undocumented workers illegal, thus creating a situation ripe for worker exploitation and abuse which has increased since then.

A single member LLC called "CHIRLA Liberty Films LLC" was established for film production. CHIRLA has teamed up with CHIRLA Liberty Films LLC to bring to life a dramatized film series about undocumented immigrants called Know Your Rights. This series shows how undocumented immigrants can protect themselves when encountering law enforcement. Coalition for Humane Immigrant Rights is the 100% owner of CHIRLA Liberty Films LLC.

The consolidated financial statements include the accounts of Coalition for Humane Immigrant Rights and CHIRLA Liberty Films LLC. All significant intercompany transaction have been eliminated in consolidation.

2. PROGRAMS

CHIRLA’s function “Teams” are made up of: Policy/Advocacy, Community Education and Outreach, Civic Engagement, Communication, Marketing & Public Relations Coalition support, Legal Services, Organizing, Humanitarian Response & Migrant Assistance Program, and Immigration legal Services Program Administration. The Function teams are supported by the Administration/Development Team. The following is a description of CHIRLA’s programs:

Community Outreach and Education: CHIRLA educates immigrant workers, students and families to know and use their constitutional rights. CHIRLA's community education staff present information to 350-500 immigrants per week about worker rights, resources and how to protect themselves against Immigration Customs Enforcement (ICE) enforcement, wage theft and other worker rights and civil rights violations.

COALITION FOR HUMANE IMMIGRANT RIGHTS
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2. PROGRAMS, continued

Policy and Advocacy: CHIRLA works to advance a local, state and national agenda that wins human, civil and labor rights for immigrants and their families.

Organizing: CHIRLA organizes a membership base to harness the power of a collective voice. Over the years, CHIRLA has applied principles of community organizing leadership development, strategies and tactics. With a robust and organized membership, CHIRLA coordinates actions to win pro-immigrant policies that make a difference in the lives of members. CHIRLA organizes its membership base into the following committees: Household Worker Committee, Street Vendor Committee, as well as student committees for the California DREAM Network at 35 colleges and universities statewide, and Wise Up! at 10 Los Angeles and Pasadena area high schools. Additionally, CHIRLA organizes members into regional committees. These committees meet monthly to plan campaigns and participate in CHIRLA actions such as marches, forums, and town halls, as well as traveling to Sacramento and Washington, D.C. to participate in non-lobbying education of elected officials about the issues affecting low-wage immigrant workers, students, and their families.

Civic Engagement: CHIRLA's Civic Engagement Program provides education for new and infrequent immigrant voters across California. CHIRLA's program is unique in that it engages immigrants of all status in a Civic Engagement Pipeline. CHIRLA's pipeline walks volunteers through the process of engaging voters. For those volunteers who are eligible for citizenship, CHIRLA assists them towards the path to citizenship by helping them with the naturalization process, registering them to vote, and lastly, mobilizing them to vote.

Legal Immigration Services: CHIRLA's Legal Service Department has been recognized by the Board of Immigration Appeals (BIA) since August 30, 2011 to provide immigration legal services at low-cost.

CHIRLA's legal staff comprises licensed attorneys, Department of Justice (DOJ) accredited representatives, Juris Doctors (awaiting bar results), trained paralegals (all awaiting DOJ accreditation decisions), and legal assistants. Since 2012, CHIRLA's legal staff has submitted thousands of applications for U.S. Naturalization forms (N-400). Since August 15, 2012, CHIRLA has filed thousands of Deferred Action for Childhood Arrival (DACA) initial and renewal applications, and has helped thousands of immigrants receive immigration assistance including: family petitions, waivers, consular process, adjustment of status, U-Visa, deportation defense, renewals for Legal Permanent Residency, VAWA, Temporary Protected Status (TPS), Employment Authorization Document (EAD) renewal, pro se immigration filings, motions to reopen and Freedom of Information Act (FOIA) requests. CHIRLA's legal clinic and triage provides general consultations to over 30 clients 3 times a week and carefully evaluates each case, analyzes any red flags, and determines whether clients are eligible for U.S. Naturalization, DACA, or any other immigration relief. Each month, CHIRLA's legal services team sees hundreds of clients.

COALITION FOR HUMANE IMMIGRANT RIGHTS
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2. PROGRAMS, continued

Membership: The Membership and Member Services Program provides direct services and opportunities to the Organization's members and to the immigrant community. Through its I-Relief efforts, this program connects immigrants to cash, food and COVID 19 vaccination assistance and social services during the COVID -19 pandemic and other natural disasters and emergencies. The department engages volunteers and interns to advance I-Relief efforts and other important projects for the Organization.

Communications and Public Relations: The strategic communications team works with all CHIRLA departments to more effectively convey ideas, illustrate policy concepts and attract new audiences. The team produces the full spectrum of media tools to get out CHIRLA's message: newsletters, photos, videos audio interviews, online tool kits, graphic identities, landing pages and websites.

External Affairs: Convenes the California Table for Immigrant Affairs, Raids Rapid Response Network (RRRN) and Los Angeles Action Table to bring together a coalition of community, faith, immigrant, labor, and LGBTQI, organizations to address immigrant issues.

Programs and Subcontract Administration: CHIRLA's Programs and Subcontract Administration is responsible for administering grants and contracts that provide pass-through funding for nonprofit subcontractors. This Program Administrator role includes managing the reporting and deliverables of contracts to ensure contract compliance. Currently, CHIRLA is managing two California Department of Social Services (CDSS) contracts as Program Administrators. Through the Immigration Legal Fellowship, the Program Administration Unit provides technical assistance and training to several subgrantee organizations to build their capacity to provide removal defense services. CHIRLA has also taken on the lead administrative role for the California Community College Immigration Services Funding project, which seeks to increase the capacity of several subgrantees in the California Community Colleges system to provide immigration legal services on campuses. For this project, CHIRLA administers the disbursement of fee reimbursements for DACA application filings and naturalization application filing fees for subgrants in Southern California.

Humanitarian and Migrant Assistance: CHIRLA provides Shelter Operations/Oversight; Sheltering Wraparound support services; and Medical Services to foreign nationals seeking immigration relief and arriving in or transported to Los Angeles County, including foreign nationals paroled into the United States by Department of Homeland Security

Immigrant Welcome and Empowerment Center: Our new headquarters will allow CHIRLA to expand essential programs in organizing, free and low-cost legal services, community education and civic engagement while creating new and innovative services.

Marketing and Public Relations Department: CHIRLA creates tailored content to help promote our annual campaigns, direct services and events. All marketing assets developed are culturally sensitive and linguistically appropriate to the immigrant communities we serve.

COALITION FOR HUMANE IMMIGRANT RIGHTS
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3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are presented in accordance with principles of accounting for nonprofit organizations, with consideration given to recent authoritative publications of the American Institute of Certified Public Accountants. Assets, liabilities, revenues and expenses are recognized under the accrual basis of accounting.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117. 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 restrictions on use that are placed by its donors: net assets with donor restrictions and net assets without donor restrictions.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842). Topic 842 introduces a lessee model that brings most leases onto the balance sheet, aligns certain of the underlying principles of the lessor model with those in ASC 606, the FASB's new revenue recognition standard, and addresses other concerns related to the old leasing model from the previous guidance. The Organization adopted the new guidance effective July 1, 2022. As of July 1, 2022 and June 30, 2023, the company had long term operating leases that qualify for the accounting under the new lease standard.

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. ASU 2020-07 adds new presentation and disclosure requirements for contributed nonfinancial assets (gifts-in-kind). The Organization adopted the new guidance effective July 1, 2021.

Net Assets without Donor Restrictions

These generally result from revenues generated by receiving contributions without donor restrictions and providing services less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets without Donor Restrictions – Board designated reserve

In accordance with the policy approved by the board of Directors, CHIRLA has begun setting aside funds for an operating reserve. As of June 30, 2023 and 2022, \$1,902,813 and \$1,350,000 was set aside, with a goal of increasing the reserve each year to reach the board-approved target of one to three months of average operating costs, respectively.

COALITION FOR HUMANE IMMIGRANT RIGHTS
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3. SIGNIFICANT ACCOUNTING POLICIES, continued

Net Assets with Donor Restrictions – Temporarily Restricted

The Organization reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restrictions is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from program restrictions.

Net Assets with Donor Restrictions – Permanently Restricted

These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit the Organization to expend all of the income (or other economic benefits) derived from the donated assets. The Organization did not have any permanently restricted net assets as of June 30, 2023 and 2022, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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 these estimates.

Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers cash as cash-on-hand and deposits held by financial institutions. Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less. See Note 13 for the concentration of credit risks regarding cash and cash equivalents.

Contributions and Pledges Receivables

Unconditional contributions, including pledges recorded at estimated net realizable value, are recognized as revenues in the period received. The Organization reports unconditional contributions as support received with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

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3. SIGNIFICANT ACCOUNTING POLICIES, continued

Functional Expenses

The cost of providing services by CHIRLA has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated to the appropriate programs and services.

Functional Allocation of Expenses

Expenses are classified according to the programs and supporting services for which they were incurred and are reported on a functional basis in the accompanying statement of functional expenses.

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. These expenses have been allocated to programs and supporting functions on the basis of management's estimates of time and effort. Unallocated payments to local and national organizations are listed separately.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the expected period of occupancy of the leased property. Maintenance and repair costs are charged to expense as incurred.

Property and equipment are capitalized if the cost of an asset is greater than or equal to five hundred dollars and the useful life is greater than one year. The estimated useful lives are as follows: leasehold improvements 3-15 years; furniture, fixtures, and equipment 5 - 7 years; Vehicles 5 years.

Film Production Costs

Film production costs include various costs associated with the production of a film. Amortization of capitalized production costs will be provided by using the individual-film-forecast method ("IFF Method") based on the ratio of current period actual revenues to the estimated remaining total revenues. As of June 30, 2023, the film was not completed. Upon completion of the film, the Organization will review its total revenue estimates from the film, which may result in a change in the rate of amortization and/or a write down of the film production costs to fair value.

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3. SIGNIFICANT ACCOUNTING POLICIES, continued

Contribution Revenue

Contributions received are recorded as support with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the maturity of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose 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. When restrictions are satisfied in the same accounting period that the contribution is received, both the revenue and the related expenses are reported in the net assets without donor restrictions class.

Donated Assets

Contributions of donated noncash assets are recorded at fair value in the period received. Donations of property and equipment are recorded as support at their estimated fair values at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Absent donor stipulation regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Donated Services

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recorded at the fair values in the period received.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations. However, the majority of the contributed services do not meet the aforementioned criteria for recognition in the financial statements.

The donated services contributed by volunteers were 10,548 and 10,258 hours for the years ended June 30, 2023 and 2022, respectively. The values of these volunteer hours were \$179,316 and \$177,566 for the years ended June 30, 2023 and 2022, respectively.

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3. SIGNIFICANT ACCOUNTING POLICIES, continued

Income Taxes

Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income taxes. The Organization uses the same accounting methods for tax and financial reporting.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years after they are filed. The open years are: 2021, 2020 and 2019.

Allowance for Doubtful Accounts

An allowance for doubtful accounts was not provided as the management determined contracts and grants receivable to be fully collectible.

Advertising

Costs associated with advertising are charged to expense as incurred. Advertising expenses were \$79,111 and \$61,489 during the years ended June 30, 2023 and 2022, respectively.

Prior Period Adjustments

During the fiscal year ended June 30, 2022, management discovered that beginning net assets were understated. This was due to the balance in the accounts receivable including amounts recognized in the fiscal year ended June 30, 2021 but earned during fiscal year 2022. As a result, the Organization recorded a prior period adjustment of \$412,200 to reflect the corrected beginning net assets.

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4. INVESTMENTS

Investments consists of the following at June 30:

Investments	Fair Value	Fair Value
Level 1 input: Investments in securities	\$ 31,579	\$ 33,321
Investment income	June 30, 2022	June 30, 2021
Interest and dividend income	\$ 111,600	\$ 864

During the years ended June 30, 2023 and 2022 the Organization received none and \$28,913 of donated stock, respectively.

5. OTHER CURRENT ASSETS

Other current assets consists of the following prepaid expenses as of June 30:

	2023	2022
Prepaid software subscription	\$ 138,056	\$ 66,382
Prepaid insurance	77,787	136,858
Prepaid rent	52,500	43,569
Prepaid expenses	899	899
Cash advances	6,939	8,868
	<u>\$ 276,181</u>	<u>\$ 256,576</u>

6. PROPERTY AND EQUIPMENT

Following is a summary of the Organization's property and equipment as of June 30:

	2023	2022	Estimated Useful life
Leasehold improvements	\$ 60,661	\$ 60,661	3-15 years
Furniture	127,676	63,677	5-7 years
Equipment	600,932	423,925	5-7 years
Total	789,269	548,263	
Less: accumulated depreciation	452,962	373,940	
Net value of property and equipment	<u>\$ 336,307</u>	<u>\$ 174,323</u>	
Depreciation expense for the period	<u>\$ 79,022</u>	<u>\$ 60,186</u>	

7. DEPOSITS

Deposits consist of the following at June 30,

	2023	2022
Deposits held in trust	\$ 33,140	\$ 21,521
Deposits held in escrow	355,000	
	<u>\$ 388,140</u>	<u>\$ 21,521</u>

See subsequent events disclosures regarding the deposits held in escrow (see Note 26).

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8. ACCRUED EXPENSES

Accrued expenses consist of the following as of June 30:

	2023	2022
Accrued salaries and wages	\$ 253,569	\$ 143,263
Accrued payroll taxes	19,398	11,387
Accrued employee vacation	586,876	527,169
Credit card	14,338	55,852
Net USICE bond liability	34,454	29,454
Total	<u>\$ 908,635</u>	<u>\$ 767,125</u>

9. DEFERRED REVENUE

The Organization has contracts with the California Department of Social Services to provide removal defense representation services to individuals. The portion that has been invoiced by the Organization but not yet earned for these services as of the fiscal year end is recorded as deferred revenue and reported as a current liability. The revenue is recognized when earned.

	2023	2022
Deferred revenue as of June 30:	<u>\$ 5,048,776</u>	<u>\$ 562,834</u>

10. COMMITMENTS

The Organization rents its facilities under operating leases. The following are the future minimum rental payments under operating leases as of June 30, 2023:

Rent expense for the years ended June 30, 2023 and 2022 was:

	2023	2022
	<u>\$ 590,246</u>	<u>\$ 508,595</u>

The Organization also subleases two office spaces on a month-to-month basis.

11. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Effective July 1, 2022, the Organization adopted the FASB's ASU No. 2016-02, Leases (Topic 842). Under topic 842, long term operating leases were brought onto the balance sheet.

The following table summarizes the Organization's operating lease assets and liabilities as of June 30, 2023:

Right of use asset	\$ 421,423
Right of use liability	\$ 434,009

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11. RIGHT OF USE ASSETS AND LEASE LIABILITIES, continued

The following table summarizes the Organization's operating lease related costs for the year ended June 30, 2023:

Operating lease cost	\$ 12,586
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The following table summarizes maturities of operating lease liabilities as of June 30, 2023:

2024	\$ 411,739
2025	95,551
2026	10,711
Thereafter	-
Undiscounted	<u>\$ 518,001</u>
Discount	<u>(83,992)</u>
Discounted expected future cash flow	<u><u>\$ 434,009</u></u>

The following table summarizes information about operating leases as of June 30, 2023:

Remaining lease term (Years)	0.25 - 2.25
Weighted-average discount rate	4.00%
Total undiscounted lease liability	\$ 518,001

12. CONTINGENCIES

The Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies and grantors to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs or grant funds. The ultimate liability, if any, which may result from these audits cannot be reasonably estimated and, accordingly, the Organization has no provision for the possible disallowance of program costs on its financial statements.

13. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at two financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution and by the Securities Investor Protection Corporation. As of June 30, 2023 and 2022, the Organization had \$22,092,311 and \$5,425,113 of uninsured cash balances respectively.

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14. EMPLOYEE BENEFIT PLAN

The Organization sponsors a defined contribution plan which covers substantially all of its full-time employees. Employer matching contributions for the years ended June 30, 2023 and 2022 were \$318,018 and \$235,086, respectively.

15. STATE UNEMPLOYMENT TAXES

The Organization, as a nonprofit organization, has elected in the State of California the reimbursable method of financing unemployment insurance. Under this method, the Organization is not required to make contributions to the California State Unemployment Insurance Fund. However, the Organization is required to reimburse the State of California for unemployment benefits paid to eligible ex-employees. During the years ended June 30, 2023 and 2022, the Organization paid the state \$27,306 and \$29,697, respectively in unemployment claims.

16. NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions are the net resources that bear no external restrictions and are generally available for use by an organization.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent amounts received or committed with donor restrictions, which have not yet been expended for their designated purposes (purpose-restricted); amounts with donor capital restrictions, which will be recognized when the assets are placed in service (capital restricted); amounts for general use in future periods (time restricted); and amounts received from donors with the stipulation that the principal will be held in perpetuity and only the investment income can be spent.

Net Assets consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Net assets without donor restrictions:		
Undesignated	\$ 2,770,551	\$ 608,467
Board designated	<u>1,902,813</u>	<u>1,350,000</u>
Total net assets without donor restrictions	<u>4,673,364</u>	<u>1,958,467</u>
Net assets with donor restrictions:		
Subject to expenditure for specified time and/or purpose:	<u>26,671,169</u>	<u>4,639,004</u>
Total net assets	<u>\$ 31,344,533</u>	<u>\$ 6,597,471</u>

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17. OTHER LIABILITIES

As of June 30, 2023 and 2022, other liabilities consisted of a pass through fund for member assistance in the amount of none and \$23,500, respectively, that the Organization had not yet passed thru the intended recipient by the fiscal year-end.

18. LINE OF CREDIT

The line of credit allows borrowing up to \$1,000,000. During the fiscal year ended June 30, 2023, the Organization renewed the line of credit to extend the maturity date to April 1, 2024. The Organization did not make any draws during the fiscal year ended June 30, 2023.

19. NOTES PAYABLE

Notes payable consists of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Note payable, company, non-interest bearing, due December 31, 2020 and extended to December 31, 2023.	\$ -	\$ 400,000
Total note payable	-	400,000
Less: Current portion	-	(400,000)
Long term portion	<u>\$ -</u>	<u>\$ -</u>

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20. UNITED STATES IMMIGRATION AND CUSTOMS ENFORCEMENT BOND

The Organization initiated a program to assist and facilitate bond placement with the United States Immigration and Customs Enforcement for workers affected by raids. The program is a 50% matching fund for any worker unable to provide the full bond amount required to be released from custody. The matching fund of 50% for the bond was advanced by contributors, and contributors will be repaid for their original payment for all bonds that are not forfeited.

As of June 30, 2023 and 2022 the funds owed to/by the contributors and workers, was \$34,454 and \$29,454, respectively. The Organization serves as a fiduciary for the handling of the repayment of bond fund receipts from the United States Immigration and Customs Enforcement and records a liability for any such receipts that are required to be returned to the contributors.

21. RELATED-PARTY TRANSACTIONS

The Organization shares staff, office space, van usage and membership fees with Californians for Human Immigrant Rights Leadership Action Fund (“CHIRLA Action Fund”), a 501(c) (4) nonprofit organization. During the year ended June 30, 2023, the Organization received \$736,971 from CHIRLA Action Fund for estimated costs paid and incurred on behalf of the Organization and paid \$487,000 of expenses for CHIRLA Action Fund. During the year ended June 30, 2022, the Organization received \$44,113 from CHIRLA Action Fund for estimated costs paid and incurred on behalf of CHIRLA Action Fund. As of June 30, 2023, the Organization owed CHIRLA Action Fund \$63,532 and as of June 30, 2022, the Organization was owed by CHIRLA Action Fund \$186,439.

22. FUNDRAISING EVENTS

The Organization hosts an annual fundraising gala whereby guests receive dinner and entertainment to celebrate CHIRLA’s progress. Revenue and costs surrounding the Organization’s fundraising efforts were as follows for the years ended June 30,

	2023	2022
Revenues, including ticket sales, auction and donations	\$ 151,240	\$ 247,153
Less: Costs	1,587	21,479
Events revenue, net	<u>\$ 149,653</u>	<u>\$ 225,674</u>

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23. CONCENTRATIONS

During the fiscal year ended June 30, 2023, the Organization received government contract revenue of \$33,966,572 including \$32,526,542 or 96% from the State of California to provide immigration related services.

During the fiscal year ended June 30, 2022, the Organization received government contract revenue of \$12,369,461 including \$11,375,965 or 92% from the State of California to provide immigration related services.

24. LIQUIDITY

As part of its liquidity management, the Organization invests cash in excess of daily requirements in interest bearing bank accounts. Although the Organization does not intend to spend from its reserve bank accounts other than for amounts appropriated for general expenditure designated in its annual budget, amounts from cash reserves could be made available if necessary.

The Organization's goal is to maintain financial assets, which consist of cash-on-hand, certificates of deposit, and receivables, to meet 60 days of normal operating expenses.

The Organization's financial assets available to meet cash needs for general expenditures within one year of the date of the statement of financial position include the following as of June 30, 2023:

Cash and cash equivalents	\$ 21,314,537
Receivables	16,811,311
Investment in securities	31,579
Available financial assets	<u>\$ 38,157,427</u>

COALITION FOR HUMANE IMMIGRANT RIGHTS
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25. GRANT AND CONTRACT PROGRAM EXPENSES

The Organization was funded by the following federal government grants and contracts during the year ended June 30, 2023.

Funding Source	Program Name	CFDA	2023 Total Expenditures
Department of Homeland security	Citizenship and Integration grant	97.010	\$ 136,932
Department of Homeland security	Citizenship and Integration grant	97.010	56,098
Community Partners	Covid education & outreach		315,063
Public Health Institute	Together Toward Health		4,346
Program service expenses			<u>\$ 512,439</u>

26. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 7 2024 which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

During the year ended June 30, 2023, the Organization received a grant restricted for the purchase of a building. As of June 30, 2023, the Organization had an escrow deposit in the amount of \$355,000 for the purchase of the building (see Note 7). Subsequent to June 30, 2023, a new entity was created to manage and to own the purchased building. The new entity is 100% owned by the Organization. The new building was purchased in October 2023.

Subsequent to June 30, 2023, the Organization received the transfer of a building in San Pedro, California from a nonprofit religious corporation. Subsequent to June 2023, another new entity was created to manage and to own the transferred building. The new entity is also 100% owned by the Organization. The building was transferred to the Organization in February 2024.

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors of
Coalition for Humane Immigrant Rights

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the consolidated financial statements of Coalition for Humane Immigrant Rights (a nonprofit organization) ("CHIRLA"), which comprise of the consolidated statements of financial position as of June 30, 2023 and 2022, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coalition for Humane Immigrant Rights (CHIRLA)'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coalition for Humane Immigrant Rights (CHIRLA)'s internal control. Accordingly, we do not express an opinion on the effectiveness of Coalition for Humane Immigrant Rights (CHIRLA)'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coalition for Humane Immigrant Rights (CHIRLA)'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coalition for Humane Immigrant Rights (CHIRLA)'s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Coalition for Humane Immigrant Rights (CHIRLA)'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Frith-Smith & Archibald, LLP

Woodland Hills, CA
February 7, 2024