

**HIAS AND COUNCIL MIGRATION  
SERVICE OF PHILADELPHIA  
T/A HIAS PENNSYLVANIA**

**FINANCIAL REPORT  
September 30, 2020  
(With Comparative Totals for 2019)**

**HIAS AND COUNCIL MIGRATION  
SERVICE OF PHILADELPHIA  
T/A HIAS PENNSYLVANIA**

**TABLE OF CONTENTS**

	<b><u>Page No.</u></b>
<b><u>FINANCIAL STATEMENTS</u></b>	
Independent Auditor's Report	1-2
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7-15
<b><u>SUPPLEMENTAL INFORMATION</u></b>	
Consolidating Schedule of Financial Position	16
Consolidating Schedule of Revenue and Expenses, and Changes in Net Assets	17

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### Independent Auditor's Report

Board of Directors  
HIAS and Council Migration Service of Philadelphia  
T/A HIAS Pennsylvania  
Philadelphia, PA

#### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of HIAS Pennsylvania (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

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 HIAS Pennsylvania as of September 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.

## Other Matters

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of HIAS Pennsylvania'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 HIAS Pennsylvania'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 HIAS Pennsylvania's internal control over financial reporting and compliance.

### Report on Summarized Comparative Information

We have previously audited HIAS Pennsylvania's 2019 financial statements, and, our report dated July 21, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.



SNYDER, DAITZ & COMPANY  
Philadelphia, PA

June 28, 2021

# HIAS PENNSYLVANIA

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2020

(With Comparative Totals for 2019)

	2020	2019
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 529,516	\$ 82,497
Investments	2,846,848	2,720,402
Accounts receivables	1,083,024	896,358
Grants receivable	868,121	209,410
Prepaid expenses	2,933	29,004
Security deposits	5,953	17,067
Deposits on office equipment and improvements	519,892	49,262
Equipment and leasehold improvements, net	20,722	32,830
<b>Total Assets</b>	<b>\$ 5,877,009</b>	<b>\$ 4,036,830</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued expenses	\$ 227,051	\$ 224,563
Payroll withholding payable	10,379	12,736
Deferred revenue	22,782	0
Note payable	591,700	0
<b>Total Liabilities</b>	<b>\$ 851,912</b>	<b>\$ 237,299</b>
<b><u>NET ASSETS</u></b>		
<b>Without Donor Restrictions</b>		
Other unrestricted	\$ 958,210	\$ 715,219
Designated by the Board	2,841,407	2,719,341
<b>Total Without Donor Restrictions</b>	<b>\$ 3,799,617</b>	<b>\$ 3,434,560</b>
<b>With Donor Restrictions</b>	<b>1,225,480</b>	<b>364,971</b>
	<b>\$ 5,025,097</b>	<b>\$ 3,799,531</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,877,009</b>	<b>\$ 4,036,830</b>

The accompanying letter and notes are an integral part of this statement.

## HIAS PENNSYLVANIA

### CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2020

(With Comparative Totals for 2019)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2020 TOTAL	2019 TOTAL
<b><u>SUPPORT AND REVENUE</u></b>				
Government grants and contracts	\$ 3,662,658		\$ 3,662,658	\$ 2,908,671
Grants- other	603,449	\$ 1,505,320	2,108,769	798,244
Contributions and fundraising	729,918		729,918	1,050,609
In-kind contributions	1,238,288		1,238,288	1,247,609
Service fees	26,516		26,516	72,448
Investment income	323,968		323,968	160,284
Net assets released from restriction:				
Satisfaction of program restrictions	644,811	(644,811)	0	0
<b>Total Support and Revenue</b>	<b>\$ 7,229,608</b>	<b>\$ 860,509</b>	<b>\$ 8,090,117</b>	<b>\$ 6,237,865</b>
<b><u>EXPENSES AND LOSSES</u></b>				
Programs:				
Resettlement program	\$ 1,320,698		\$ 1,320,698	\$ 880,690
Legal services	4,045,804		4,045,804	3,582,082
Citizenship program	228,717		228,717	285,061
Asylee program	155,817		155,817	53,653
PHILS	124,835		124,835	78,069
<b>Total Programs</b>	<b>\$ 5,875,871</b>	<b>0</b>	<b>\$ 5,875,871</b>	<b>\$ 4,879,555</b>
Support services				
General and administrative	\$ 785,020		\$ 785,020	\$ 679,541
Fundraising	203,660		203,660	106,702
<b>Total Support Services</b>	<b>\$ 988,680</b>	<b>0</b>	<b>\$ 988,680</b>	<b>\$ 786,243</b>
<b>Total Expenses</b>	<b>\$ 6,864,551</b>	<b>0</b>	<b>\$ 6,864,551</b>	<b>\$ 5,665,798</b>
<b>Change in Net Assets</b>	<b>\$ 365,057</b>	<b>\$ 860,509</b>	<b>\$ 1,225,566</b>	<b>\$ 572,067</b>
<b>Net Assets, Beginning</b>	<b>3,434,560</b>	<b>364,971</b>	<b>3,799,531</b>	<b>3,227,464</b>
<b>Net Assets, Ending</b>	<b>\$ 3,799,617</b>	<b>\$ 1,225,480</b>	<b>\$ 5,025,097</b>	<b>\$ 3,799,531</b>

The accompanying letter and notes are an integral part of this statement.

## HIAS PENNSYLVANIA

### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2020

(With Comparative Totals for 2019)

	RESETTLE- MENT PROGRAM	LEGAL SERVICES	CITIZEN- SHIP PROGRAM	ASYLEE PROGRAM	PHILS	TOTAL PROGRAMS	GENERAL & ADMINI- STRATION	FUND RAISING	2020 TOTAL	2019 TOTAL
<b>PERSONNEL EXPENSES</b>										
Salaries	\$ 469,905	\$ 1,641,612	\$ 154,949	\$ 104,349	\$ 85,099	\$ 2,455,914	\$ 414,078	\$ 97,901	\$ 2,967,893	\$ 2,252,177
Payroll taxes	38,907	128,934	12,170	8,196	6,684	192,891	32,522	7,689	233,102	183,525
Retirement	41,710	148,140	13,753	9,262	7,125	217,990	36,754	8,690	263,434	158,844
Employee benefits	37,680	131,636	12,425	8,387	6,823	196,931	33,203	7,850	237,984	206,482
	<u>\$ 586,202</u>	<u>\$ 2,048,322</u>	<u>\$ 193,297</u>	<u>\$ 130,174</u>	<u>\$ 105,731</u>	<u>\$ 3,063,726</u>	<u>\$ 516,557</u>	<u>\$ 122,130</u>	<u>\$ 3,702,413</u>	<u>\$ 2,801,028</u>
<b>OPERATING EXPENSES</b>										
Case management system	0	\$ 39,326	0	0	0	\$ 39,326	0	0	\$ 39,326	\$ 37,616
Conferences and staff development	\$ 38	2,197	0	0	0	2,233	\$ 4,121	\$ 125	6,479	24,164
Direct assistance and housing	470,177	0	0	0	0	470,177	0	0	470,177	303,198
Dues and subscriptions	24	5,867	0	0	0	5,891	13,825	365	20,081	9,850
Equipment rental	2,796	9,765	\$ 922	\$ 620	\$ 507	14,610	303	582	15,495	20,208
Insurance	3,720	12,994	1,226	826	874	19,440	402	775	20,617	21,207
Office supplies and educational supplies	11,465	40,055	3,782	2,548	2,072	59,920	4,544	17,361	81,825	104,323
Postage	5,289	18,478	1,744	1,174	958	27,641	571	1,102	29,314	25,578
Professional fees	14,222	49,681	4,690	3,159	2,576	74,328	198,081	2,962	275,371	139,198
Professional fees, In-kind	49,723	1,188,565	0	0	0	1,238,288	0	0	1,238,288	1,245,260
Program supplies	3,749	19,290	0	0	0	23,039	96	0	23,135	13,922
Purchase services	64,768	353,135	0	578	0	438,481	21,588	43,062	503,131	481,026
Rent and occupancy	57,828	168,194	15,876	10,691	8,720	261,309	5,734	10,031	277,074	244,597
Telephone and internet	19,855	69,361	6,547	4,409	3,597	103,769	2,141	4,136	110,046	78,216
Travel	8,924	13,523	0	1,214	0	23,661	15,381	630	39,672	110,064
	<u>\$ 732,576</u>	<u>\$ 1,990,429</u>	<u>\$ 34,787</u>	<u>\$ 25,217</u>	<u>\$ 19,104</u>	<u>\$ 2,802,113</u>	<u>\$ 266,787</u>	<u>\$ 81,131</u>	<u>\$ 3,150,031</u>	<u>\$ 2,858,427</u>
Total expenses before depreciation	\$ 1,318,778	\$ 4,038,751	\$ 228,084	\$ 155,391	\$ 124,835	\$ 5,665,839	\$ 783,344	\$ 203,261	\$ 6,852,444	\$ 5,659,455
Depreciation	1,920	7,053	633	426	0	10,032	1,676	399	12,107	6,343
	<u>\$ 1,320,698</u>	<u>\$ 4,045,804</u>	<u>\$ 228,717</u>	<u>\$ 155,817</u>	<u>\$ 124,835</u>	<u>\$ 5,675,871</u>	<u>\$ 785,020</u>	<u>\$ 203,660</u>	<u>\$ 6,864,551</u>	<u>\$ 5,665,798</u>

The accompanying letter and notes are an integral part of this statement.

## HIAS PENNSYLVANIA

### CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended September 30, 2020  
(With Comparative Totals for 2019)

	2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 1,225,566	\$ 572,067
Adjustments to reconcile to cash from operations		
Depreciation	12,108	6,343
Gain on investments	(260,257)	(103,271)
Donated investments	(23,710)	(32,014)
Donated office equipment	0	(2,349)
Dividend income	(61,942)	(53,470)
(Increase) decrease in :		
Accounts receivable	(186,666)	(383,800)
Grants receivable	(658,711)	(40,496)
Prepaid expenses	26,071	(25,564)
Increase (decrease) in :		
Accounts payable and accrued expenses	2,488	127,513
Payroll withholding payable	(2,357)	12,736
Deferred revenue	22,782	0
	<b>\$ 95,372</b>	<b>\$ 77,695</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Proceeds from sale of investments	\$ 219,463	\$ 30,957
Dividend income	61,942	53,470
Purchase of investments, including reinvested dividends	(61,942)	(553,470)
Purchase of computer equipment	0	(34,590)
Security deposit returned (paid)	11,114	(11,667)
Deposits on office equipment and improvements	(470,630)	(49,262)
	<b>\$ (240,053)</b>	<b>\$ (564,562)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Borrowing, note payable	\$ 591,700	0
	<b>\$ 447,019</b>	<b>\$ (486,867)</b>
Net increase (decrease) in cash for year		
Cash balance, beginning	82,497	569,364
Cash balance, ending	<b>\$ 529,516</b>	<b>\$ 82,497</b>

The accompanying letter and notes are an integral part of this statement.



# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019

### NOTE 1 – THE ORGANIZATION

The HIAS and Council Migration Service of Philadelphia (“the Organization”) is a not-for-profit organization located in Philadelphia, Pennsylvania, that provides aid to immigrants. The Organization operates under the name HIAS Pennsylvania.

The Organization programs and supporting services are as follows:

Citizenship program - provides application assistance, civics/ESL instruction and legal representation by a legal support team on behalf of refugees and immigrants seeking naturalization.

Legal Services program - provides immigration legal assistance by staff attorneys, law clerks, accredited representatives and paralegals to immigrants and refugees of limited means. This program also provides technical assistance to service providers and non-attorneys in the Organization and to the community at large.

Asylee program - provides information, referral and limited case management to asylees in Pennsylvania. In addition, the project develops and disseminates training material to professionals, service providers and asylees.

Resettlement program - provides resettlement and case management services for newly arrived refugees.

Fundraising - provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations.

General and administrative - includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, secure proper administrative functioning of the Board of Directors, and manage the financial and budgetary responsibilities of the Organization.

Pennsylvania HIAS Indigent Immigrant Legal Services (PHIILS) is a separate 501 (c)(3) non-profit managed by HIAS Pennsylvania which provides free immigration legal services to indigent individuals in Pennsylvania.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Date of Management's Review

Subsequent events were evaluated through June 28, 2021, which is the date the financial statements were available to be issued.

#### Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Effective for the year ended September 30, 2019, the Organization adopted FASB ASU 2016-14 “Presentation of Financial Statements of Not-for-Profit Entities”. The implementation of ASU 2016-14 had no effect on the Organization's reporting of net assets.

# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Basis of Presentation

The financial statements are presented in accordance with FASB ASC 958 Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are detailed in Note 8.

#### Consolidation

These consolidated financial statements include HIAS and Council Migration Service of Philadelphia (HIAS Pennsylvania) and Pennsylvania HIAS Indigent Immigrant Legal Services (PHIILS). PHIILS is a not-for-profit organization incorporated by HIAS Pennsylvania, and is also related by common board members. All significant intercompany balances and transactions have been eliminated.

#### Management Estimates

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

Significant estimates are made in calculating the value of donated services.

#### Cash

Cash and other highly liquid investments with maturities of three months or less are considered to be cash equivalents.

Cash includes balances restricted to use within the guidelines of grants from the Organization's funding sources. These balances totaled approximately \$380,200 and \$82,400 as of September 30, 2020 and 2019.

#### Investments

In accordance with FASB ASC 820-10 (formerly SFAS No. 157), investments are reported using fair value measurements as detailed in Note 4.

#### Allowance for Uncollectible Amounts

Each account receivable and grant receivable is evaluated separately by management to determine collectability. An allowance for uncollectible amounts, if any, is based on this determination. There was no allowance at September 30, 2020 and 2019, as all amounts were considered collectible.

#### Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of furniture and equipment is provided over the estimated useful lives of the related assets, 3 to 5 years, using the straight-line method. Major renewals and improvements are recorded to the assets accounts while maintenance and repair which do not improve or extend the life of the respected assets are expensed.

# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

#### Contributions

In accordance with FASB ASC 958 (formerly SFAS No. 116) Accounting for Contributions Received and Contributions Made, contributions received are recorded as “without donor restrictions” or “with donor restrictions”, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as without donor restriction if the restriction expired in the reporting period in which the contribution was recognized.

All other donor-restricted support is reported as an increase in with donor restricted net assets. When a 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. Only a donor can impose a restriction; the Board may designate contributions for a purpose, but the contribution is classified as unrestricted in that case. If a contribution is made with a donor-imposed condition, it is not recorded until the condition has been met.

Amounts released from restriction totaled \$644,811 and \$682,656 for the years ended September 30, 2020 and 2019.

Unconditional promises to give are recognized as revenues or gains to the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

#### Revenue

The Organization accounts for its revenue primarily from program service fees, as exchange transactions. Revenue is recognized in the statement of activities when earned, and any amounts received but not earned are recorded as refundable advances on the statement of financial position.

#### Functional Allocation of Expenses

Salaries and benefits are allocated based on estimates of individual employee’s time and effort. Certain overhead expenses including equipment, insurance, postage, printing, and telephone are allocated based on the percentages derived from the estimated allocation of salaries. Cost including case management system, direct assistance, and in-kind legal and interpreter fees are directly related to the Organization’s programs and are thus reflected as program costs. Certain other costs including conferences, dues and subscriptions, office supplies and expenses, professional fees, contracted services, rent, travel and depreciation are allocated for specific items where applicable, based on the cost, usage, and related benefits of the specific goods and services provided with remaining items allocated based on the percentages derived from the estimated allocation of salaries.

#### Income Taxes

The Organization is a nonprofit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

#### Reclassifications

Certain prior year’s amounts have been reclassified to conform with the September 30, 2019 presentation. Such reclassifications had no effect on the Organization’s net assets or changes in net assets.

# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019

### NOTE 3 – LIQUIDITY MANAGEMENT

HIAS Pennsylvania's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 529,516
Investments	2,846,848
Accounts receivable	1,083,024
Grants and contributions receivable	868,121
Total financial assets	<u>\$5,327,509</u>
Less: Amounts not available to be used within one year:	
Net assets with purpose restrictions	
Cash	(\$ 357,359)
Grants and contributions receivable	( 790,055)
Deferred revenue:	
Cash	( 22,782)
	<u>(\$1,170,196)</u>
Financial assets available to meet general expenditures Over the next year	<u>\$4,157,313</u>

Cash and cash equivalents of \$529,516 reflected on the statement of financial position includes \$357,359 of cash restricted by donors for certain purposes.

The investments of \$2,846,848 reflected on the statement of financial position can be liquidated with board authorization and would be available if necessary.

Grants and contributions receivable of \$868,121 reflected on the statement of financial position includes \$790,055 restricted by donors for certain purposes.

HIAS Pennsylvania's goal is generally to maintain financial assets available to meet 90 days of operating expenses.

As part of its liquidity plan, the finance committee performs a monthly review of its financial statements and cash flows with management and accountant. Excess cash is invested in short-term investments, primarily money market accounts, where it is available to be drawn upon as needed.

# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019

### NOTE 4 – INVESTMENTS & FAIR VALUE MEASUREMENTS

Investments represent the balance in the Organization's board designated endowment and consist of the following as of September 30:

<u>2020</u>	<u>Cost</u>	<u>Unrealized Appreciation (Depreciation)</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using: Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Vanguard				
Money Market				
Balanced Index Fund	\$2,231,647	\$ 609,760	\$2,841,407	\$2,841,407
E-Trade				
Common Stock	<u>5,181</u>	<u>260</u>	<u>5,441</u>	<u>5,441</u>
	<u>\$2,236,828</u>	<u>\$ 610,020</u>	<u>\$2,846,848</u>	<u>\$2,846,848</u>
<u>2019</u>				
Vanguard				
Money Market				
Balanced Index Fund	\$2,336,991	\$ 382,350	\$2,719,341	\$2,719,341
E-Trade				
Common Stock	<u>1,096</u>	<u>( 35)</u>	<u>1,061</u>	<u>1,061</u>
	<u>\$2,338,087</u>	<u>\$ 382,315</u>	<u>\$2,720,402</u>	<u>\$2,720,402</u>

Activity in the board designated endowment funds for the years ended September 30, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning	\$2,719,341	\$2,062,604
Contributions	0	500,000
Investment return		
Investment income	61,942	53,470
Gains on investments	260,124	103,267
Fees	0	0
Amounts appropriated for expenditure	<u>( 200,000)</u>	<u>0</u>
	<u>\$2,841,407</u>	<u>\$2,719,341</u>

Gains and losses (realized and unrealized) included in changes in net assets for the years ended September 30, 2020 and 2019 are reported in investment revenue. All such gains and losses were a result of transactions where values have been measure using Level 1 inputs.

Total investment income is as follows for the years ended September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Investment income, interest and dividends	\$ 63,710	\$ 57,017
Gain on market value of securities	<u>260,258</u>	<u>103,267</u>
	<u>\$323,968</u>	<u>\$160,284</u>

# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2020 and 2019

### NOTE 4 – INVESTMENTS & FAIR VALUE MEASUREMENTS – CONTINUED

FASB ASC 820-10 (formerly SFAS No. 157, *Fair Value Measurements*,) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are those other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3 inputs are those unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 inputs were available to the Organization, and Level 3 inputs are only used when Level 1 and 2 inputs are not available.

#### Level 1 Fair Value Measurements

The fair value of investments are based on quoted net asset values of the holdings held at year-end.

### NOTE 5 – GRANTS RECEIVABLE

Represents unconditional promises to give, as explained in Note 1, consisting of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Litigation	\$266,055	\$ 90,130
Path To Self Sufficiency	374,000	0
Immigrant Wellness	150,000	0
Time restricted operating grants	<u>78,066</u>	<u>119,280</u>
	<u>\$868,121</u>	<u>\$209,410</u>
Amount due in		
Less than one year	\$484,121	\$209,410
One to five years	<u>384,000</u>	<u>0</u>
	<u>\$868,121</u>	<u>\$209,410</u>

### NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	<u>Cost</u>	<u>Appreciation Depreciation</u>	<u>2020 Net Book Value</u>	<u>2019 Net Book Value</u>
Computer equipment	\$ 56,373	\$ 39,078	\$ 17,295	\$ 28,825
Leasehold improvements	4,200	2,182	2,018	2,126
Furniture	8,397	8,397	0	0
Office equipment	<u>10,959</u>	<u>9,550</u>	<u>1,409</u>	<u>1,879</u>
	<u>\$ 79,929</u>	<u>\$ 59,207</u>	<u>\$ 20,722</u>	<u>\$ 32,830</u>

# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019

### NOTE 7 – NOTE PAYABLE

#### Payroll Protection Program Loan

On April 25, 2020, the Organization received a loan from Citizens Bank in the amount of \$591,700, pursuant to the Payroll Protection Program (PPP) under the CARES Act, which was enacted March 27, 2020. The loan, which was in the form of a note dated April 25, 2020, matures April 25, 2022, and bears an interest rate of 1%, payable monthly commencing on November 25, 2020. The note may be prepaid at any time prior to maturity with no prepayment penalty. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, rent, and utilities. Under the terms of PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

### NOTE 8 - NET ASSETS

#### Net Assets without Donor Restrictions

Net assets without donor restrictions represent funds retained by HIAS Pennsylvania that were received without any donor-imposed restrictions. In addition, donor-restricted contributions whose restrictions have been met in the same reporting period are reported as unrestricted support.

The Board of Directors has elected to designate a portion of the Organization's net assets without donor restrictions to be used for certain purposes. These funds are placed in long-term investments, where pursuant to the investment policies, 5% can be utilized and expended each year. As there were no expenditures from the fund in recent years, the withdrawal of \$200,000 was approved by the board to be used for expenditures related to the office move. The balance of these designated funds was \$2,841,407 and \$2,719,341 as of September 30, 2020 and 2019, as detailed in Note 4.

#### Net Assets with Donor Restrictions

Net Assets with donor restrictions represent resources restricted by the donor as to time or use with the expectation that such restrictions will be satisfied in the future.

Net assets with donor restrictions are composed of the following as of September 30:

	<u>2020</u>	<u>2019</u>
Legal services	\$ 408,907	\$158,705
Path to Self Sufficiency	462,615	0
Immigrant Wellness	187,872	0
PA is Ready	34,523	0
NE Philadelphia Pilot Project	0	31,864
Immigrant Outreach Coordinator	0	15,000
Digital Client Records Project	0	4,705
Various other programs	3,093	1,667
Time restricted operating grants	<u>128,470</u>	<u>153,030</u>
	<u>\$1,225,480</u>	<u>\$364,971</u>

### NOTE 9 – CONCENTRATIONS

The Organization maintains its bank accounts in financial institutions with insurance provided by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured balances of cash as of September 30, 2020 were approximately \$119,000. There were no uninsured cash balances as of September 30, 2019.

# HIAS PENNSYLVANIA

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019

### NOTE 10 – RETIREMENT PLANS

#### Defined Benefit Plan

Eligible employees of the Organization participate in a defined benefit plan sponsored by the Jewish Federation of Greater of Philadelphia (“The Jewish Federation”). The Jewish Federation has frozen participation in the Plan, however the respective share of any existing unfunded liabilities, measured annually are required to be paid by the Jewish Federation and constituent agencies.

Contributions in the amount of \$14,939 and \$10,234 were made to the Plan by HIAS Pennsylvania for the years ended September 30, 2020 and 2019.

As part of the freeze, no new employees of HIAS Pennsylvania are entering the Plan and active participants in the Plan ceased accruing additional benefits, based on the effective freeze date of October 1, 2009 for HIAS Pennsylvania.

Participants should refer to Plan documents for specific details of the Plan.

#### 403(b) Plan

The Organization sponsors the HIAS Pennsylvania 403(b) plan. Under the Plan, qualified employees may elect to defer a portion of their compensation, up to Internal Revenue Service limits. The Organization can elect to match a certain portion of the employee contributions as described in Plan documents.

For the years ended September 30, 2020 and 2019, the Organization elected to match employee contributions up to 2% of an employee’s compensation, which resulted in contributions of approximately \$248,500 and \$144,800 for the years ended September 30, 2020 and 2019.

### NOTE 11 – RENT EXPENSE AND LEASE COMMITMENTS

During the fiscal year ended September 30, 2020, the Organization leased its primary office space on a short-term basis while preparing to relocate into new office space.

The Organization has subsequently entered into a lease for its primary office space, commencing in October 2020. Monthly payments begin at \$42,721 per month and increase at various times according to the lease to \$49,084 per month in the final year of the lease. The lease also provides for up to 14 months of rent abatement at specified times throughout the lease, provided conditions are met.

Total rent for the years ended September 30, 2020 and 2019 was approximately \$272,600 and \$239,100, which also includes other office space leased on a short-term basis, and temporary locations for certain programs and events.

The Organization also leases office equipment under two leases, which expire at various times through December 2023. Minimum annual payments under the leases are as follows:

	<u>Office Space</u>	<u>Equipment</u>
Year ending September 30, 2021	\$ 256,327	\$ 4,536
2022	479,331	4,536
2023	488,929	4,149
2024	498,727	747
2025	531,195	0
and thereafter	3,966,037	0



## **HIAS PENNSYLVANIA**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS September 30, 2020 and 2019**

#### **NOTE 12 – DONATED SERVICES**

The Organization has recognized \$1,238,288 and \$1,245,260 in donated services for the years ended September 30, 2020 and 2019, as required under FASB ASC 958 (formerly SFAS No.116) from legal professionals and other persons with specialized skills. The Organization has received significantly more donated services from legal professionals in recent years, than in years past. In addition, the Organization receives donated services from other volunteers not meeting the criteria for recognition.

## **SUPPLEMENTAL INFORMATION**

## HIAS PENNSYLVANIA

### CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2020

	HIAS Pennsylvania	PHIILS	Eliminations	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 368,992	\$ 160,524	0	\$ 529,516
Investments	2,846,848	0	0	2,846,848
Accounts receivable	1,083,024	0	0	1,083,024
Grants receivable	722,066	146,055	0	868,121
Due from PHIILS	158,929	0	\$ (158,929)	0
Prepaid expenses	2,933	0	0	2,933
Security deposits	5,953	0	0	5,953
Deposits on office equipment and improvements	519,892	0	0	519,892
Equipment and leasehold improvements, net	20,722	0	0	20,722
Total Assets	\$ 5,729,359	\$ 306,579	\$ (158,929)	\$ 5,877,009
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 227,051	0	0	\$ 227,051
Payroll withholding payable	10,379	0	0	10,379
Deferred revenue	22,782	0	0	22,782
Note payable	591,700	0	0	591,700
Due to HIAS Pennsylvania	0	\$ 158,929	\$ (158,929)	0
Total Liabilities	\$ 851,912	\$ 158,929	\$ (158,929)	\$ 851,912
<b>NET ASSETS</b>				
Without Donor Restrictions				
Other unrestricted	\$ 874,990	\$ 83,220	0	\$ 958,210
Designated by the Board	2,841,407	0	0	2,841,407
Total Without Donor Restrictions	\$ 3,716,397	\$ 83,220	0	\$ 3,799,617
With Donor Restrictions				
	1,161,050	64,430	0	1,225,480
	\$ 4,877,447	\$ 147,650	0	\$ 5,025,097
Total Liabilities & Net Assets	\$ 5,729,359	\$ 306,579	\$ (158,929)	\$ 5,877,009

The accompanying notes are an integral part of this statement.

## HIAS PENNSYLVANIA

### CONSOLIDATING SCHEDULE OF REVENUE AND EXPENSES AND CHANGES IN NET ASSETS Year ended September 30, 2020

	HIAS Pennsylvania	PHIILS	Eliminations	Total
<b><u>SUPPORT AND REVENUE</u></b>				
Government grants and contracts	\$ 3,662,658	0	0	\$ 3,662,658
Grants - other	2,026,862	\$ 206,741	\$ (124,834)	2,108,769
Contributions and fundraising	729,856	62	0	729,918
In-kind contributions	1,238,288	0	0	1,238,288
Service fees	26,516	0	0	26,516
Investment income	323,988	0	0	323,988
	<u>\$ 8,008,148</u>	<u>\$ 206,803</u>	<u>\$ (124,834)</u>	<u>\$ 8,090,117</u>
<b><u>EXPENSES AND LOSSES</u></b>				
Programs:				
Resettlement program	\$ 1,320,698	0	0	\$ 1,320,698
Legal services	4,045,804	\$ 124,834	\$ (124,834)	4,045,804
Citizen program	228,717	0	0	228,717
Asylee program	155,817	0	0	155,817
PHIILS	124,835	0	0	124,835
Total Programs	<u>\$ 5,875,871</u>	<u>\$ 124,834</u>	<u>\$ (124,834)</u>	<u>\$ 5,875,871</u>
<b><u>SUPPORT SERVICES</u></b>				
General and administrative	\$ 784,989	\$ 31	0	\$ 785,020
Fundraising	203,660	0	0	203,660
Total Support Services	<u>\$ 988,649</u>	<u>\$ 31</u>	<u>0</u>	<u>\$ 988,680</u>
Total Expenses	<u>\$ 6,864,520</u>	<u>\$ 124,865</u>	<u>\$ (124,834)</u>	<u>\$ 6,864,551</u>
Changed in Net Assets	\$ 1,143,628	\$ 81,938	0	\$ 1,225,566
Net Assets, Beginning	3,733,819	65,712	0	3,799,531
Net Assets, Ending	<u>\$ 4,877,447</u>	<u>\$ 147,650</u>	<u>0</u>	<u>\$ 5,025,097</u>

The accompanying notes are an integral part of this statement.