

HIAS Pennsylvania and Affiliate

Consolidated Financial Statements
Year Ended September 30, 2022



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HIAS PENNSYLVANIA AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

**Boards of Directors
HIAS Pennsylvania and Affiliate
Philadelphia, Pennsylvania**

Opinion

We have audited the accompanying financial statements of HIAS Pennsylvania and Affiliate (nonprofit organizations), which comprise the consolidated statement of financial position as of September 30, 2022, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the HIAS Pennsylvania and Affiliate as of September 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 HIAS Pennsylvania and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HIAS Pennsylvania and Affiliate's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 HIAS Pennsylvania and Affiliate'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HIAS Pennsylvania and Affiliate'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 Matters

Report on Summarized Comparative Information

The consolidated financial statements HIAS Pennsylvania and Affiliate as of and for the year ended September 30, 2021, were audited by other auditors, whose report dated June 30, 2022, expressed an unmodified audit opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

BBD, LLP.

**Philadelphia, Pennsylvania
June 27, 2023**

HIAS PENNSYLVANIA AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2022 with comparative totals for 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 348,634	\$ 1,086,180
Contributions receivable		
Government grants	2,162,591	1,170,888
Other	794,625	702,685
Prepaid expenses and other assets	54,902	60,240
Investments	3,220,643	3,351,920
Equipment and leasehold improvements, net	<u>448,026</u>	<u>490,073</u>
Total assets	<u>\$ 7,029,421</u>	<u>\$ 6,861,986</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 272,520	\$ 227,393
Deferred rent	289,771	266,213
Refundable advances	<u>300,000</u>	<u>-</u>
Total liabilities	<u>862,291</u>	<u>493,606</u>
NET ASSETS		
Without donor restrictions		
Operating	1,872,235	2,272,953
Board designated	<u>3,220,643</u>	<u>3,351,920</u>
Total without donor restrictions	5,092,878	5,624,873
With donor restrictions	<u>1,074,252</u>	<u>743,507</u>
Total net assets	<u>6,167,130</u>	<u>6,368,380</u>
Total liabilities and net assets	<u>\$ 7,029,421</u>	<u>\$ 6,861,986</u>

See accompanying notes

HIAS PENNSYLVANIA AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2022 with comparative totals for 2021

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
REVENUE AND SUPPORT				
Government grants	\$ 5,162,285	\$ -	\$ 5,162,285	\$ 3,596,021
Other grants	2,131,383	-	2,131,383	1,031,020
Contributions and fundraising	539,340	918,038	1,457,378	2,074,198
In-kind contributions	4,694,849	-	4,694,849	1,361,446
Other income	49,803	-	49,803	6,171
Investment income (loss)	(630,287)	-	(630,287)	510,879
Gain on forgiveness of PPP loan	-	-	-	591,700
Net assets released from restrictions	<u>587,293</u>	<u>(587,293)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>12,534,666</u>	<u>330,745</u>	<u>12,865,411</u>	<u>9,171,435</u>
EXPENSES				
Program services				
Resettlement program	3,201,755	-	3,201,755	1,815,474
Legal services	7,244,523	-	7,244,523	3,947,520
Citizenship program	561,754	-	561,754	554,087
Asylee program	366,829	-	366,829	253,164
PHILS	257,052	-	257,052	169,904
Supporting services				
Management and general	818,723	-	818,723	726,285
Fundraising	<u>616,025</u>	<u>-</u>	<u>616,025</u>	<u>361,718</u>
Total expenses	<u>13,066,661</u>	<u>-</u>	<u>13,066,661</u>	<u>7,828,152</u>
CHANGE IN NET ASSETS	(531,995)	330,745	(201,250)	1,343,283
NET ASSETS				
Beginning of year	<u>5,624,873</u>	<u>743,507</u>	<u>6,368,380</u>	<u>5,025,097</u>
End of year	<u>\$ 5,092,878</u>	<u>\$ 1,074,252</u>	<u>\$ 6,167,130</u>	<u>\$ 6,368,380</u>

See accompanying notes

HIAS PENNSYLVANIA AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2022 with comparative totals for 2021

	Resettlement Program	Legal Services	Citizenship Program	Asylee Program	PHILS	Total Programs	Management and General	Fundraising	Totals	
									2022	2021
PERSONNEL EXPENSES										
Salaries	\$ 1,049,066	\$ 1,430,557	\$ 349,766	\$ 224,528	\$ 150,160	\$ 3,204,077	\$ 346,289	\$ 332,916	\$ 3,883,282	\$ 3,314,410
Payroll taxes	83,756	126,202	27,925	17,926	-	255,809	27,647	26,579	310,035	263,133
Retirement	86,407	130,198	28,809	18,494	-	263,908	28,523	27,421	319,852	275,208
Employee benefits	87,198	98,057	29,072	18,663	33,332	266,322	28,783	27,672	322,777	281,990
	<u>1,306,427</u>	<u>1,785,014</u>	<u>435,572</u>	<u>279,611</u>	<u>183,492</u>	<u>3,990,116</u>	<u>431,242</u>	<u>414,588</u>	<u>4,835,946</u>	<u>4,134,741</u>
OPERATING EXPENSES										
Case management system	-	27,630	-	-	-	27,630	-	-	27,630	39,773
Conferences and staff development	11,471	7,145	968	881	1,476	21,941	3,934	1,219	27,094	15,816
Depreciation	17,720	15,533	3,109	2,030	-	38,392	13,395	3,376	55,163	56,555
Direct assistance housing	1,055,334	23,877	2,019	23,801	-	1,105,031	8,698	17,925	1,131,654	403,588
Dues and subscriptions	9,646	10,009	906	2,200	1,184	23,945	1,320	1,036	26,301	16,377
Equipment rental	11,407	7,869	2,002	1,307	2,132	24,717	8,624	2,174	35,515	31,053
Insurance	6,542	11,051	1,148	750	1,640	21,131	4,946	1,247	27,324	27,474
Office supplies and educational supplies	38,841	28,635	8,962	7,217	10,864	94,519	32,294	9,209	136,022	72,265
Other	3,051	2,675	535	350	-	6,611	2,306	581	9,498	-
Postage	6,232	11,968	2,259	793	-	21,252	4,282	1,117	26,651	17,254
Printing	6,410	5,620	1,125	734	-	13,889	4,846	1,617	20,352	5,711
Professional fees	111,178	79,269	19,506	12,738	18,212	240,903	84,046	21,185	346,134	292,668
Professional fees, in-kind	-	4,694,849	-	-	-	4,694,849	-	-	4,694,849	1,361,446
Program supplies	50,796	6,806	904	590	-	59,096	3,894	1,050	64,040	28,658
Purchased services	235,770	316,141	33,828	1,886	-	587,625	7,779	5,553	600,957	476,020
Rent and occupancy	193,937	121,752	30,881	20,165	32,540	399,275	133,053	33,539	565,867	628,724
Special event expense	-	-	-	-	-	-	-	80,669	80,669	-
Telephone and internet	84,857	65,298	14,169	9,415	5,512	179,251	61,050	15,629	255,930	174,153
Travel	52,136	23,382	3,861	2,361	-	81,740	13,014	4,311	99,065	45,876
	<u>1,895,328</u>	<u>5,459,509</u>	<u>126,182</u>	<u>87,218</u>	<u>73,560</u>	<u>7,641,797</u>	<u>387,481</u>	<u>201,437</u>	<u>8,230,715</u>	<u>3,693,411</u>
Total expenses	<u>\$ 3,201,755</u>	<u>\$ 7,244,523</u>	<u>\$ 561,754</u>	<u>\$ 366,829</u>	<u>\$ 257,052</u>	<u>\$ 11,631,913</u>	<u>\$ 818,723</u>	<u>\$ 616,025</u>	<u>\$ 13,066,661</u>	<u>\$ 7,828,152</u>

See accompanying notes

HIAS PENNSYLVANIA AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended September 30, 2022 with comparative totals for 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ (201,250)	\$ 1,343,283
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Realized and unrealized (gain) loss on investments	755,462	(419,331)
Depreciation	55,163	56,555
Gain on forgiveness of PPP loan	-	(591,700)
(Increase) decrease in		
Contributions receivable	(1,083,643)	77,572
Prepaid expenses and other assets	5,338	(51,354)
Increase (decrease) in		
Accounts payable and accrued expenses	45,127	(10,037)
Deferred rent	23,558	266,213
Refundable advances	<u>300,000</u>	<u>(22,782)</u>
Net cash provided by (used for) operating activities	<u>(100,245)</u>	<u>648,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(624,185)	(85,741)
Purchase of equipment and leasehold improvements	<u>(13,116)</u>	<u>(6,014)</u>
Net cash used for investing activities	<u>(637,301)</u>	<u>(91,755)</u>
Net change in cash	(737,546)	556,664
CASH		
Beginning of year	<u>1,086,180</u>	<u>529,516</u>
End of year	<u>\$ 348,634</u>	<u>\$ 1,086,180</u>

See accompanying notes

HIAS PENNSYLVANIA AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022

(1) NATURE OF BUSINESS

HIAS and Council Migration Service of Philadelphia, which is doing business as HIAS Pennsylvania. (the "**Organization**") is a not-for-profit organization located in Philadelphia, Pennsylvania that provides aid to immigrants.

The Organization's activities are as follows:

Legal Services Division – has seven programs: 1) the immigrant youth program, 2) the immigrant survivors of domestic violence program, 3) the immigrant survivors of crime program, 4) the asylum and removal defense program, 5) the asylee integration program (formerly known as the asylee outreach program), 6) the humanitarian and crisis response program, and 7) the citizenship and family reunification program. Each of these programs provides immigration legal assistance by staff attorneys, law clerks, partially and fully accredited representatives and paralegals to immigrants and refugees of limited means. The programs also provide technical assistance to service providers and non-attorneys in the Organization and to the community at large.

Social Services Division – has four programs: 1) reception and placement (refugee resettlement), 2) immigrant health and wellness, 3) employment, and 4) education. These four programs provide case management, cultural orientation services, wellness and anti-isolation services and English language services to refugee and other federal Office of Refugee Resettlement Eligible adults and children. The services are provided by master and bachelor's level social workers, trauma informed case workers, TOEFL certified teachers, interns and volunteers.

Community Engagement Division – this division provides recruitment, training and mentoring of volunteers, both professional and non-professional. The division also provides educational programs about the work that is done, about the needs of immigrants and refugees that we serve and collects in kind donations for our clients. The services in this division are provided by experienced professionals who have worked with diverse communities and an attorney who recruits, trains and mentors attorneys to take on immigration legal matters.

Pennsylvania HIAS Indigent Immigrant Legal Services ("**PHIILS**") is a separate section 501(c)(3) non-profit, which provides free immigration legal services to indigent individuals in Pennsylvania. HIAS Pennsylvania is the sole member of PHIILS.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and PHIILS. All material intercompany accounts and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting. As a result, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Organization and PHIILS report information regarding their financial position and activities according to the following classes of net assets:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions. This category also includes board designated net assets which are comprised of funds that are designated by the board to fill in short-term gaps in funding to ensure continuity of services and programs. The board designated net assets are to be adjusted each year based on board approved budgeted expenditures.

HIAS PENNSYLVANIA AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization and PHILS and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Also included in this category are net assets subject to donor-imposed restrictions that require the net assets to be maintained indefinitely while permitting the Organization and PHILS to expend the income generated in accordance with the provisions of the contribution. The Organization and PHILS did not have this type of net asset with donor restrictions as of September 30, 2022.

Fair Value Measurements of Assets and Liabilities

Generally accepted accounting principles ("**GAAP**") define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization and PHILS. Unobservable inputs reflect the Organization and PHILS' assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization and PHILS have the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Organization and PHILS' own assumptions.

Summarized Prior-Year Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the consolidated financial statements for the year ended September 30, 2021, from which the summarized information was derived.

Accounting Estimates

In preparing consolidated financial statements in conformity with GAAP, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could vary from those estimates.

Contributions Receivable

Contributions receivable are stated at the amount management expects to collect from balances outstanding at year-end. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. Management believes all accounts were collectible and did not provide an allowance for uncollectible accounts. Interest is not charged on outstanding balances.

HIAS PENNSYLVANIA AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022

Equipment and Leasehold Improvements

Equipment and leasehold improvements are carried at cost if purchased and at fair value at the date of donation if contributed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Investments

Investments in equity and fixed income securities with readily determinable fair values are reported at fair value, as determined by quoted market prices, with gains and losses included in the consolidated statement of activities. Dividend and interest income is recorded as earned.

The Organization invests in a professionally-managed portfolio that contains various types of investments (**See Note 3**). Such investments are exposed to market and credit risk. Due to the level of risk associated with such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that the amounts reported in the consolidated financial statements could change materially in the near term.

Grants and Contributions

Grants and contributions received are recorded as net assets without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor-restricted grants and contributions whose restrictions are satisfied in the same period are reported as net assets without donor restrictions.

Unconditional grants and contributions are recognized as revenue when the related promise to give is received. Conditional grants and contributions are recognized as revenue when the conditions are satisfied.

Income Taxes

The Organization and PHILS are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to their tax-exempt purpose may be subject to taxation as unrelated business income.

The Organization and PHILS qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and have been classified as organizations other than a private foundation under Section 509(a)(1).

GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their tax returns. GAAP prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Organization and PHILS believe that they had no uncertain tax positions as defined in GAAP

Functional Allocation of Expenses

The costs of providing various program and supporting services have been presented on a functional basis in the consolidated statements of activities and functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated. Significant expenses that are allocated include personnel expenses, rent and occupancy, and telephone and internet, which are allocated based on estimates of time and effort.

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization and PHILS to concentrations of credit risk are cash and contributions receivable. The Organization and PHILS maintain cash deposits at a high-quality bank. At times, such deposits may exceed federally-insured limits. Contributions receivable are expected to be collected in 2023.

HIAS PENNSYLVANIA AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022

Reclassifications

Certain items previously reported in the prior-year summarized comparative totals have been reclassified to conform to the current-year consolidated financial statement presentation.

(3) INVESTMENTS

Investments at September 30, 2022 and 2021, consisted of a balanced index fund which invests roughly 60% in equities and 40% in bonds by tracking two indexes that represent broad barometers for the U.S. equity and U.S. taxable bond markets. This fund is measured at fair value using Level 1 (quoted prices in active markets) valuation inputs.

Investment income (loss) for the year ended September 30, was comprised of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 125,175	\$ 86,044
Net realized and unrealized gain (loss)	<u>(755,462)</u>	<u>424,835</u>
	<u><u>\$(630,287)</u></u>	<u><u>\$510,879</u></u>

(4) EQUIPMENT AND LEASHOLD IMPROVEMENTS

Equipment and leasehold improvements at September 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Computer equipment	\$ 65,565	\$ 65,565
Office equipment	17,712	4,596
Leasehold improvements	<u>525,677</u>	<u>525,677</u>
	608,954	595,838
Accumulated depreciation	<u>(160,928)</u>	<u>(105,765)</u>
	<u><u>\$ 448,026</u></u>	<u><u>\$ 490,073</u></u>

Depreciation was \$55,163 and \$56,555 for the years ended September 30, 2022 and 2021, respectively.

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<u>Balance</u> <u>September 30, 2021</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance</u> <u>September 30, 2022</u>
Subject to expenditure for specified purposes or periods				
Legal services	\$280,103	\$415,538	\$(288,855)	\$ 406,786
Path to Self Sufficiency	337,865	-	(166,333)	171,532
Immigrant Wellness	120,539	-	(90,667)	29,872
Other	-	100,000	(29,563)	70,437
Available for future periods	<u>5,000</u>	<u>402,500</u>	<u>(11,875)</u>	<u>395,625</u>
	<u><u>\$743,507</u></u>	<u><u>\$918,038</u></u>	<u><u>\$(587,293)</u></u>	<u><u>\$1,074,252</u></u>

HIAS PENNSYLVANIA AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022

(6) LINE OF CREDIT

In March 2021, the Organization obtained a \$500,000 bank credit line, which bears interest at a variable rate per annum based on the *Wall Street Journal* U.S. Prime rate. There was no outstanding balance on the line of credit at September 30, 2022 and 2021.

(7) OPERATING LEASES

The Organization leases its primary administrative office under a non-cancelable operating lease which expires in September 2032. Rent expense for the office was \$502,602 for 2022.

The office lease, which contains rent increases and abatements, is being recognized on a straight-line basis over the term of the lease. As a result, the rent expensed exceeds the rent paid by \$23,558 for the year ended September 30, 2022.

Future minimum annual lease commitments are as follows:

Year ended September 30,

2023	\$ 488,929
2024	498,727
2025	508,726
2026	508,726
2027	508,726
Thereafter	<u>2,781,740</u>
	<u>\$5,295,574</u>

(8) IN-KIND CONTRIBUTIONS

Each year, a substantial number of legal specialists contribute significant amounts of their time to the Organization, and such services are reflected in the financial statements under revenue as in-kind contributions, and under expenses as professional fees in-kind, using estimated fair market rates. Since most of these services represent contributed legal time, the total amounts may fluctuate widely from year to year. During the year ended September 30, 2022, in-kind services totaled \$4,694,849.

(9) RETIREMENT PLAN

The Organization has a 403(b) plan covering all eligible employees. The plan allows eligible employees to defer a portion of their compensation, subject to the limitations in the Internal Revenue Code. The Organization makes a 5% matching contribution to the plan for the eligible employees' elective deferrals. The Organization's contributions to the plan were \$319,852 and \$275,200 for 2022 and 2021, respectively.

(10) LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization and PHIILS' financial assets as of the consolidated statement of financial position date, which have been reduced by financial assets not available within one year.

Cash	\$ 348,634
Accounts receivable	2,957,216
Investments	<u>3,220,643</u>
Total financial assets	6,526,493

HIAS PENNSYLVANIA AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2022

Less: financial assets not available for general operations within one year	
Restricted by donor for specific purposes	(678,627)
Board designated net assets	<u>(3,220,643)</u>
Total financial assets available within one year	<u>\$ 2,627,223</u>

Liquidity Management

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 consolidated financial statements and cash flows with management and the accountant. Excess cash is invested in short-term investments, primarily money market accounts, where it is available to be drawn upon as necessary.

(11) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 27, 2023, the date on which the consolidated financial statements were available to be issued. No material subsequent events have occurred since September 30, 2022 that require recognition or disclosure in the consolidated financial statements.