



RAICES

Refugee and Immigrant Center for
Education and Legal Services

*REFUGEE AND IMMIGRANT ORGANIZATION
FOR EDUCATION AND LEGAL SERVICES
(A NONPROFIT ORGANIZATION)*

FINANCIAL STATEMENTS

*FOR THE YEAR ENDED
DECEMBER 31, 2019*



RAICES

Refugee and Immigrant Center for
Education and Legal Services

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Refugee and Immigrant Center for Education and Legal Services
San Antonio, Texas

We have audited the accompanying financial statements of Refugee and Immigrant Center for Education and Legal Services, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Refugee and Immigrant Center for Education and Legal Services as of December 31, 2019, 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.

Emphasis of Matter

As discussed in Note A14 to the financial statements, in 2019 Refugee and Immigrant Center for Education and Legal Services adopted new accounting guidance from Financial Accounting Standards Board Update ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), ASU No. 2018-08, Not-for-Profit Entities (Topic 958) – *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* and ASU No. 2018-09, Codification Improvements. This did not require a restatement of prior year balances. Our opinion is not modified with respect to this matter.



Armstrong, Vaughan & Associates, P.C.

August 20, 2020

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 54,596,099
Contract and Grants Receivables	2,313,619
Accounts Receivable - Program	182,724
Allowance for Doubtful Accounts	(91,362)
Prepaid Expenses	74,603
Security Deposits	96,188
<i>Total Current Assets</i>	<u>57,171,871</u>

Property and Equipment:

Land	10,000
Building	180,691
Leasehold Improvements	38,563
Furniture, Fixtures and Equipment	95,846
Accumulated Depreciation	(140,044)
<i>Total Property and Equipment</i>	<u>185,056</u>

TOTAL ASSETS \$ 57,356,927

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 754,101
Payroll Liabilities	294,182
Accrued Vacation	186,306
<i>Total Current Liabilities</i>	<u>1,234,589</u>

Net Assets:

Net Assets Without Donor Restrictions:	
Operations	53,587,389
Investment in Property and Equipment	185,056
Net Assets With Donor Restrictions	<u>2,349,893</u>
<i>Total Net Assets</i>	<u>56,122,338</u>

TOTAL LIABILITIES AND NET ASSETS \$ 57,356,927

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

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
<i>Support:</i>			
Foundation Income	\$ 8,118,235	\$ 183,549	\$ 8,301,784
Grant Income	1,319,863	5,463	1,325,326
Contribution Income	29,209,980	2,338,027	31,548,007
In-Kind Contributions	123,358	-	123,358
<i>Total Support</i>	<u>38,771,436</u>	<u>2,527,039</u>	<u>41,298,475</u>
<i>Revenue:</i>			
Fee For Service	818,761	-	818,761
Gain/(Loss) on Disposal of Asset	(15,800)	-	(15,800)
Interest and Other Income	515,279	-	515,279
<i>Total Revenue</i>	<u>1,318,240</u>	<u>-</u>	<u>1,318,240</u>
<i>Net Assets Released From Donor Restrictions</i>	<u>8,564,420</u>	<u>(8,564,420)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>48,654,096</u>	<u>(6,037,381)</u>	<u>42,616,715</u>
EXPENSES			
<i>Program Services:</i>			
Program	26,395,420	-	26,395,420
<i>Supporting Services:</i>			
General and Administrative	3,842,986	-	3,842,986
Fundraising	2,445,123	-	2,445,123
TOTAL EXPENSES	<u>32,683,529</u>	<u>-</u>	<u>32,683,529</u>
CHANGE IN NET ASSETS	15,970,567	(6,037,381)	9,933,186
BEGINNING NET ASSETS	<u>37,801,878</u>	<u>8,387,274</u>	<u>46,189,152</u>
ENDING NET ASSETS	<u>\$ 53,772,445</u>	<u>\$ 2,349,893</u>	<u>\$ 56,122,338</u>

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

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTIONAL EXPENSES	<u>Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll Expenses	\$ 12,923,846	\$ 1,221,468	\$ 1,043,424	\$ 15,188,738
Advertising	5,272	8,065	5,500	18,837
Bank Charges	2,002	179,027	563,039	744,068
Occupancy Expenses	709,990	218,948	46,218	975,156
Bad Debt	-	19,710	-	19,710
Bond Fees	9,643,769	-	-	9,643,769
Client Assistance	818,826	51,240	-	870,066
Donations to Other Organizations	-	132,220	-	132,220
Insurance	11,814	21,315	-	33,129
Legal Expenses	40,134	3,872	-	44,006
Office Equipment and Supplies	272,179	380,051	40,648	692,878
Postage and Printing	17,582	67,646	3,050	88,278
Professional Fees	1,105,437	627,955	420,207	2,153,599
Fundraising Expenses	13,763	27,687	152,600	194,050
Publications and Subscriptions	33,219	25,949	530	59,698
Travel - Meals and Lodging	146,099	155,183	51,069	352,351
Software/Database Subscriptions	26,670	163,574	12,553	202,797
Staff Development and Fees	82,582	103,171	27,509	213,262
Telephone and Internet	92,744	167,475	6,272	266,491
Travel - Transportation and Mileage	386,368	225,240	68,115	679,723
Recruiting	51,741	26,940	3,237	81,918
Miscellaneous	2,688	9,363	1,152	13,203
Depreciation	8,695	6,887	-	15,582
TOTAL FUNCTIONAL EXPENSES	<u>\$ 26,395,420</u>	<u>\$ 3,842,986</u>	<u>\$ 2,445,123</u>	<u>\$ 32,683,529</u>

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

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 9,933,186
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	15,582
(Increase) Decrease in Receivables, Net	(677,913)
(Increase) Decrease in Prepaid Expenses	29,946
(Increase) Decrease in Inventory	16,800
(Increase) Decrease in Security Deposits	(65,866)
Increase (Decrease) in Accounts Payable	164,001
Increase (Decrease) in Payroll Liabilities	186,911
Increase (Decrease) in Accrued Vacation	96,662
Increase (Decrease) in Unearned Revenues	(124,402)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>9,574,907</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 9,574,907
 BEGINNING CASH AND CASH EQUIVALENTS	 <u>45,021,192</u>
 ENDING CASH AND CASH EQUIVALENTS	 <u>\$ 54,596,099</u>
 SUPPLEMENTAL DISCLOSURE:	
Interest Expense Paid	\$ -

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

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. NATURE OF ACTIVITIES

The Refugee and Immigrant Center for Education and Legal Services (RAICES or Organization), formerly known as Refugee Aid Project, Inc., is a not-for-profit, community resource Organization operated for charitable and educational purposes. The Organization is committed to providing free and low-cost immigration legal services and education to unaccompanied immigrant children, families and refugees. The Organization owns and operates a building located in San Antonio and rents eight (8) other operational sites in the state of Texas, where staff and volunteers meet to address the legal needs facing RAICES' clients. Additionally, RAICES' staff attorneys travel to both adult and children's immigration detention Organizations to consult with and prepare the cases of indigent detainees who are seeking to reunite with their family or requesting protection from the United States government for the persecution, abuse or torture that they have suffered in their home countries. The Organization seeks to aid individuals in the following areas: legal support for adults; families and unaccompanied children seeking assistance with residency or citizenship applications, asylum, or removal defense; support of immigrant crime victims; DACA recipient renewal and advice; immigrant accompaniment; refugee resettlement; bond and volunteer programs; education and outreach associated with RAICES programs, immigrant rights, and human rights.

2. BASIS OF PRESENTATION

The financial statements of the Organization have been prepared using the accrual basis in accordance with the accounting principles generally accepted in the United States (GAAP) whereby revenues are recognized when earned and expenses are recognized when they are incurred.

Net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets restricted solely through actions of the Board of Directors are reported as net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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.

3. USE OF ESTIMATES

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

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all monies in checking, savings, money market accounts, and certificates of deposit.

5. PROPERTY AND EQUIPMENT

The Organization established a policy for the recording of all property and equipment. All property and equipment purchases with a cost greater than \$5,000 and a useful life greater than one year is recorded at cost or estimated fair value at the date of donation.

Depreciation on the property and equipment is calculated using the straight-line method. The estimated useful lives of the assets for the purposes of depreciation are as follows:

<u>Property and Equipment</u>	<u>Useful Life (Years)</u>
Building and Improvements	31-39
Leasehold Improvements	1
Furniture, Fixtures and Equipment	5-7

6. REVENUE RECOGNITION

Contributions and grants are recognized as revenue when a gift or pledge that is unconditional is received. Conditional promises to give are those with a measureable performance or other barrier and a right of return and are not recognized until the conditions on which they depend have been met. As of December 31, 2019, there are no conditional promises to give.

Program fees and contract income are recorded as revenues when the performance obligations are satisfied and when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

In accordance with GAAP, revenue is recorded when earned rather than when received. Revenues received in advance of when they are earned are recorded as contract liability. As of December 31, 2019, the Organization has not recorded a contract liability.

7. FUNCTIONAL EXPENSE ALLOCATION

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the statement of activities. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. A portion of General and Administrative costs that benefit multiple functional areas (indirect costs) have been allocated across Program and Fundraising services on labor-based, full time equivalents studies.

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

8. DONATED SERVICES AND IN-KIND CONTRIBUTIONS

The Organization receives services, equipment and material without payment or compensation. When the value of such services meets recognition criteria, it is reflected in the accompanying financial statements as revenues and expenditures in accordance with FASB ACS 958-605-15. Equipment and other non-cash donations are recorded as contributions at cost or estimated fair value determined at the date of the donations.

9. INCOME TAX STATUS

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3).

The most significant tax positions of the Organization is its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. The Organization's tax years for 2016 through 2018 are open to examination by the Internal Revenue Service as of December 31, 2019.

10. RECEIVABLES

Contract and grant receivables consist of revenues owed by foundations and grant agencies for services rendered and contract revenues. As of December 31, 2019 and 2018, contract and grants receivables are \$2,313,619 and \$1,655,417 respectively.

Accounts receivable consists of revenues owed by clients for services rendered. As of December 31, 2019 and 2018, accounts receivable are \$182,724 and \$143,305 respectively. Management has set up an allowance for uncollectible client receivables in the amount of \$91,362 as of December 31, 2019 and \$71,562 as of December 31, 2018.

11. PREPAID EXPENSES

Prepaid Expenses are expenses paid in advance of the actual services received. The expense will be recognized in the period for which the services were paid has elapsed.

12. SECURITY DEPOSITS

Security deposits consist of deposits for rental of office space. Upon termination of the contracts, the deposit will be returned to the Organization.

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

NOTE A -- NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

13. ACCRUED VACATION

The Organization permits eligible employees to accumulate earned but unused vacation pay benefits and up to five days (40 hours) can be carried over from year to year. Accrued vacation is the value of the total hours carried over for all employees as of December 31, 2019. Upon resignation, an employee may receive pay for any unused accrued vacation. Unused sick leave may not be accumulated, and therefore no liability is reported for sick leave. Liabilities for accrued vacation are accrued, or recognized to the extent liabilities have matured (i.e. are due for payment). As of December 31, 2019, the vacation liability was \$186,306.

14. NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flow arising from contracts with customers, as well as other disclosures.

June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to address questions stemming from FASB ASU 2014-09, Revenue from Contracts with Customers, regarding its implications on the grants and contracts of not-for-profit organizations. The stated purpose of ASU 2018-08 is to provide guidance in evaluating whether transactions should be accounted for as contributions or exchanges. In addition, the update introduces the concept of barriers in providing additional guidance on identifying conditions that would preclude the recognition of a contribution as revenue.

In July 2018, the FASB issued ASU No. 2018-09, Codification Improvements to clarify, correct and improve FASB Accounting Standards Codification (ASC) established in September 2009. The ASC is the source of authoritative generally accepted accounting principles (GAAP) to be applied to nongovernmental entities.

In 2019, the Organization adopted ASUs No. 2014-09, No. 2018-08 and No. 2018-09 and has adjusted the presentation of the financial statements accordingly. The adoption of the new standards had no impact on beginning net assets.

15. SUBSEQUENT EVENTS

Subsequent events are considered through August 20, 2020, which is the date the financial statements were available to be issued.

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 DECEMBER 31, 2019

NOTE B -- UNINSURED DEPOSITS

The Organization's cash and cash equivalents are held in multiple financial institutions, and cash balances of up to \$250,000 are secured by the Federal Deposit Insurance Corporation (FDIC) at each financial institution. As of December 31, 2019, cash balances exceeded FDIC limits as of December 31, 2019 by \$53,667,811.

Additionally, funds held in mobile payment applications are not FDIC insured. As of December 31, 2019, the Organization had \$80,546 in unsecured deposits with an online payment exchange.

NOTE C -- ADVERTISING COSTS

Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2019 were \$18,837.

NOTE D -- PREPAID EXPENSES

Prepaid Expenses are made up of the following expenses paid in advance as of December 31, 2019:

Prepaid Rent	\$ 63,562
Prepaid Subscriptions/Licenses	9,171
Prepaid Insurance	1,870
	<u>\$ 74,603</u>

NOTE E -- CONTRACT AND GRANTS RECEIVABLE

Contract and grants receivable at December 31, 2019, consisted of the following:

Vera Institute of Justice	\$ 2,261,706
U.S. Committee for Refugees and Immigrants	26,100
Refugee Services of Texas	22,864
City of San Antonio - Safe Cities	2,949
	<u>\$ 2,313,619</u>

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2019

NOTE F -- CHANGES IN PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Property and equipment at December 31, 2019, consisted of the following:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 10,000	\$ -	\$ -	\$ 10,000
Building and Improvements	180,691	-	-	180,691
Leasehold Improvements	38,563	-	-	38,563
Furniture Fixtures and Equipment	95,846	-	-	95,846
Less: Accumulated Depreciation	(124,462)	(15,582)	-	(140,044)
Net Property and Equipment	<u>\$ 200,638</u>	<u>\$ (15,582)</u>	<u>\$ -</u>	<u>\$ 185,056</u>

Land is not depreciated.

NOTE G -- NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2019, Refugee and Immigrant Center for Education and Legal Services had net assets with donor restrictions as follows:

Legal Representation, Education, and Advocacy Fund (LEAF)	\$ 1,630,956
Families Together	688,932
Deferred Action for Childhood Arrivals (DACA)	18,152
Other	11,853
Total	<u>\$ 2,349,893</u>

The uses of restricted funds during 2019 were as follows:

Bond Fees	\$ 6,667,588
Legal Representation, Education, and Advocacy Fund (LEAF)	1,172,374
Families Together	336,990
Social Services	171,287
Legal Services	125,000
Deferred Action for Childhood Arrivals (DACA)	40,357
Medical Care	7,490
Other	43,334
	<u>\$ 8,564,420</u>

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 DECEMBER 31, 2019

NOTE H -- EMPLOYEE BENEFITS

The Organization offers all full time employees participation in a group health insurance plan of which the Organization covers up to \$250 per month per employee. Insurance premiums in excess of \$250 are paid by the employee and collected through payroll withholding.

NOTE I -- REVENUE CONCENTRATIONS

The Organization relies upon grants, contributions and other assistance to supplement a majority of its program fees. The reliance upon large contributors creates a concentration of revenue. In 2019, the Organization received \$6,715,553 from Vera Institute of Justice for the Unaccompanied Children Legal Services Project which is 14.85% of total revenue.

NOTE J -- OPERATING LEASE

The Organization has entered into multiple rental agreements for offices located in Austin, Corpus Christi, Dallas/Fort Worth, Houston, Bastrop, and San Antonio, Texas and Los Angeles, California. The future minimum lease payments are as follows:

Years Ending December 31,	Total Space/Bldg. Fixed Rent	Total Copier Rent	Total
2020	\$ 383,564	\$ 45,508	\$ 429,072
2021	277,287	44,086	321,373
2022	213,035	41,955	254,990
2023	70,444	40,716	111,160
2024	17,791	-	17,791
	<u>\$ 962,121</u>	<u>\$ 172,265</u>	<u>\$ 1,134,386</u>

REFUGEE AND IMMIGRANT CENTER FOR EDUCATION AND LEGAL SERVICES
 NOTES TO FINANCIAL STATEMENTS (CONT.)
 DECEMBER 31, 2019

NOTE K -- LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Refugee and Immigrant Center for Education and Legal Services has a goal to maintain financial assets on hand to meet at least 3 months of normal operating expenses which were \$2,723,627 per month in 2019. The Organization has \$53,416,598 of financial assets available to meet cash needs in the next year for general expenditures as of December 31, 2019 as shown in the table below.

Cash and Cash Equivalents	\$ 54,596,099
Contract and Grant Receivables	2,313,619
Accounts Receivable - Program	182,724
Allowance for Doubtful Accounts	(91,362)
Less Accounts Payable	(754,101)
Less Payroll Liabilities	(294,182)
Less Accrued Vacation	(186,306)
Total Financial Assets	\$ 55,766,491
Less: Net Assets With Donor Restrictions	(2,349,893)
Total Available Cash for General Expenditure Needs	\$ 53,416,598

NOTE L -- LITIGATION

The Organization's management is not aware of any pending or threatened litigation that would have a material effect on the financial statements.

NOTE M -- SUBSEQUENT EVENTS

The Organization's ongoing finances may experience instability and the estimates included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19 pandemic. The duration and intensity of these impacts and resulting disruption to which these events affect the Organization's activity will depend on future developments, which are highly uncertain and cannot be predicted at this time.

In April of 2020, the Organization was approved for a loan of \$3,973,384 through the Small Business Association's Paycheck Protection Program. This loan has a maturity of two years and an interest rate of 1%. Loan payments will be deferred for six months. The Organization intends to use the funds for payroll costs (at least 75%), interest on mortgages, rent and utilities as required for the loan to be fully forgiven.



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