

MEMPHIS IMMIGRATION ADVOCATES, INC.

Financial Statements

For the Year Ended December 31, 2014

McLEAN & ASSOCIATES, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

3211 KIRBY WHITTEN PARKWAY

BARTLETT, TENNESSEE 38134

MEMPHIS IMMIGRATION ADVOCATES, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Memphis Immigration Advocates, Inc.
Memphis, Tennessee

We have audited the accompanying financial statements of Memphis Immigration Advocates, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits 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 Memphis Immigration Advocates, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Bartlett, Tennessee
July 14, 2015

MEMPHIS IMMIGRATION ADVOCATES, INC.

Statement of Financial Position

For the year ended December 31, 2014

ASSETS

Current assets	
Cash	\$ 9,518
Contributions receivable	1,000
Total current assets	<u>10,518</u>
Property and equipment, net of accumulated depreciation	<u>782</u>
Total assets	<u><u>\$ 11,300</u></u>

LIABILITIES AND NET ASSETS

Net assets	
Unrestricted	11,300
Total net assets	<u>11,300</u>
Total liabilities and net assets	<u><u>\$ 11,300</u></u>

MEMPHIS IMMIGRATION ADVOCATES, INC.*Statement of Activities and Changes in Net Assets**For the year ended December 31, 2014*

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Direct public grants	\$ 15,066	\$ -	\$ 15,066
Program revenue	11,552	-	11,552
Contributions	7,914	-	7,914
In-kind donations	219	-	219
Other	649	-	649
Total revenue and support	<u>35,400</u>	<u>-</u>	<u>35,400</u>
Functional expenses			
Program services	21,059	-	21,059
Management and general	4,361	-	4,361
Total functional expenses	<u>25,420</u>	<u>-</u>	<u>25,420</u>
Increase in net assets	9,980	-	9,980
Net assets at beginning of year	<u>1,320</u>	<u>-</u>	<u>1,320</u>
Net assets at end of year	<u>\$ 11,300</u>	<u>\$ -</u>	<u>\$ 11,300</u>

See accompanying notes to the financial statements.

MEMPHIS IMMIGRATION ADVOCATES, INC.*Statement of Functional Expenses**For the year ended December 31, 2014*

	Program Services	Management and General	Total
Personnel expenses			
Salaries	\$ 10,960	\$ 1,218	\$ 12,178
Payroll taxes	914	102	1,015
Employee benefits	516	57	573
Total personnel expenses	<u>12,389</u>	<u>1,377</u>	<u>13,766</u>
Operating expenses			
Contractual services	2,866	-	2,866
Insurance	1,076	1,076	2,152
Rent	1,575	175	1,750
Postage and shipping	845	211	1,056
Office supplies	848	94	942
Travel	40	752	792
Communications	557	62	619
Reference materials	411	-	411
Printing and production	283	50	333
Other	88	-	88
Bank service charges	-	66	66
Total operating expenses	<u>8,588</u>	<u>2,487</u>	<u>11,075</u>
Non operating expenses			
Taxes	-	489	489
Depreciation	81	9	90
Total non operating expenses	<u>81</u>	<u>498</u>	<u>579</u>
Total	<u>\$ 21,059</u>	<u>\$ 4,361</u>	<u>\$ 25,420</u>

See accompanying notes to the financial statements.

MEMPHIS IMMIGRATION ADVOCATES, INC.

Statement of Cash Flows

For the year ended December 31, 2014

Cash flows from operating activities	
Net increase in net assets	\$ 9,980
Adjustments to reconcile net increase (decrease) in net assets to cash provided by (used in) operating activities	
Depreciation	90
Contributions, in-kind	(41)
Change in operating assets and liabilities	
Accounts receivable	(1,000)
Net cash provided by operating activities	<u>9,029</u>
Net increase in cash	9,029
Cash - beginning of year	<u>489</u>
Cash - end of year	<u><u>\$ 9,518</u></u>

MEMPHIS IMMIGRATION ADVOCATES, INC.

Notes to the Financial Statements

For the year ended December 31, 2014

Note 1 – Nature of activities

Organization and nature of activities

Memphis Immigration Advocates, Inc. (the “Organization”) is a non-profit law firm in Memphis, Tennessee whose core mission is to provide low-cost immigration representation to low-income clients. The organization provides direct representation and legal consultations to low-income immigrants residing within the Mid-South. The Organization is a non-profit corporation that was formed in 2013 in the State of Tennessee, and its operations are funded by fees for consultation and representation in addition to donations from individuals, corporations and other non-profit organizations.

Note 2 - Summary of significant accounting policies

Basis of accounting and presentation

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily restricted net assets – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or by the passage of time.

Permanently restricted net assets – Net assets subject to donor-imposed restrictions which stipulate that the principal be maintained permanently by the Organization but permit the Organization to expend part or all of the income and gains derived from the donated assets.

Revenues and other gains and losses are reported as changes in unrestricted net assets unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in unrestricted net assets.

When a time restriction ends or when a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts of furniture, fixtures, and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the organization reports expiration of these donor restrictions when the acquired long-lived assets are placed in service.

Program revenue

Revenue related to services of the Organization are recorded as unrestricted. Revenue includes case and consultation fees.

Cash and cash equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

MEMPHIS IMMIGRATION ADVOCATES, INC.

Notes to the Financial Statements

For the year ended December 31, 2014

Note 2 - Summary of significant accounting policies (continued)

Property and Equipment

Property and equipment is stated at fair market value at the date of the contribution if contributed or at cost if purchased. The Organization capitalizes any purchased assets greater than \$40. Depreciation is determined using the straight-line method over the estimated useful lives of the assets, generally five years.

In-Kind Donations

In-kind donations of goods, professional services, facilities, property and equipment are recorded at their estimated fair market value at date of contribution. Unless the donor has restricted the donation, such donations are recorded as unrestricted support.

Functional allocation of expenses

The costs of providing programs and supporting services are summarized in the statement of functional expenses. Certain costs are allocated among the program and supporting services benefited.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

The Organization is a non-profit corporation recognized by the United States Treasury Department as an exempt organization under section 501(c)(3) of the *Internal Revenue Code*.

The Organization follows the provisions of FASB ASC 740-10-50, "Income Taxes-Overall-Disclosure." FASB ASC 740-10-50 sets forth a recognition threshold and measurement attribute for financial statement recognition of positions taken or expected to be taken in income tax returns. FASB ASC 740-50 had no material impact on the Organization's financial statements. The tax years 2013 remain open to examination by the Federal and Tennessee tax authorities to which the Organization is subject. In the event that the Organization concludes that it is subject to interest or penalties arising from uncertain tax positions, the Organization will present interest and penalties as a component of income tax expense.

Note 3 – Property and equipment

Property and equipment consists of the following at December 31, 2014:

Computer equipment	\$	475
Furniture and equipment		440
		<u>915</u>
Less: accumulated depreciation		<u>133</u>
Property and equipment, net	\$	<u>782</u>
Depreciation Expense	\$	<u>90</u>

MEMPHIS IMMIGRATION ADVOCATES, INC.

Notes to the Financial Statements (continued)

For the year ended December 31, 2014

Note 4 – Concentrations of risk

The Organization maintains its cash balances in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk for cash and cash equivalents.

Note 5 – Operating lease commitments

The Organization leases office space under operating lease agreements that expire December 31, 2015. The future minimum lease payments as of December 31, 2014 are as follows:

Year ending December 31,	
2015	<u>\$ 6,360</u>
Total	<u>\$ 6,360</u>

Note 6 – Subsequent events

Subsequent events have been evaluated through July 14, 2015, the date the financial statements were available for issue.