

Financial Statements Together with
Report of Independent Certified Public Accountants

IMMIGRANT JUSTICE CORPS, INC.

For the period of inception through August 31, 2014

IMMIGRANT JUSTICE CORPS, INC.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of the
Immigrant Justice Corps, Inc.:

We have audited the accompanying financial statements of Immigrant Justice Corps, Inc. (“IJC”) which comprise the statement of financial position as of August 31, 2014, and the related statements of activities and cash flows for the period of inception through August 31, 2014, 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 the Immigrant Justice Corps, Inc. as of August 31, 2014, and the results of its operations and its cash flows for the period of inception through August 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York

January 16, 2015

IMMIGRANT JUSTICE CORPS, INC.
Statement of Financial Position
As of August 31, 2014

ASSETS

Due from Robin Hood Foundation	\$	2,932,170
Pledges receivable (Note 3)		3,170,000
Prepaid expenses		<u>26,000</u>
Total assets	\$	<u><u>6,128,170</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$	51,020
Due to Robin Hood Foundation		<u>259,044</u>
Total liabilities		<u>310,064</u>

Commitments (Note 8)

NET ASSETS

Unrestricted		1,257,603
Temporarily restricted (Note 6)		<u>4,560,503</u>
Total net assets		<u>5,818,106</u>
Total liabilities and net assets	\$	<u><u>6,128,170</u></u>

The accompanying notes are an integral part of this financial statement.

IMMIGRANT JUSTICE CORPS, INC.
Statement of Activities
For the period of inception through August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions and grants (Notes 6 and 7)	\$ 1,541,667	\$ 4,560,503	\$ 6,102,170
Donated goods and services (Note 4)	<u>445,973</u>	<u>-</u>	<u>445,973</u>
Total revenues and support	<u>1,987,640</u>	<u>4,560,503</u>	<u>6,548,143</u>
EXPENSES			
Program services	302,025	-	302,025
Management and general	367,705	-	367,705
Fundraising	<u>60,307</u>	<u>-</u>	<u>60,307</u>
Total expenses	<u>730,037</u>	<u>-</u>	<u>730,037</u>
Change in net assets	1,257,603	4,560,503	5,818,106
Net assets, beginning of period	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of period	<u>\$ 1,257,603</u>	<u>\$ 4,560,503</u>	<u>\$ 5,818,106</u>

The accompanying notes are an integral part of this financial statement.

IMMIGRANT JUSTICE CORPS, INC.
Statement of Cash Flows
For the period of inception through August 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	5,818,106
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Changes in assets and liabilities		
Increase in due from Robin Hood Foundation		(2,932,170)
Increase in pledges receivable		(3,170,000)
Increase in prepaid expenses		(26,000)
Increase in accounts payable and accrued expenses		51,020
Increase in due to Robin Hood Foundation		<u>259,044</u>
Net cash provided by operating activities		<u>-</u>
Net increase in cash and cash equivalents		-
Cash and cash equivalents, beginning of period		<u>-</u>
Cash and cash equivalents, end of period	\$	<u><u>-</u></u>

The accompanying notes are an integral part of this financial statement.

IMMIGRANT JUSTICE CORPS, INC.
Notes to Financial Statements
August 31, 2014

1. ORGANIZATION AND NATURE OF ACTIVITIES

The accompanying financial statements include the accounts of Immigrant Justice Corps Inc. (“IJC”), a not-for-profit public charity incorporated in Delaware in 2014. IJC is the country’s first fellowship program dedicated to providing high-quality legal assistance for immigrants seeking citizenship and fighting deportation.

The Hon. Robert Katzmann, Chief Judge of the U.S. Court of Appeals for the Second Circuit, developed the idea for IJC as a response to the crisis in legal representation for immigrants that he saw every day as a federal judge. The Robin Hood Foundation (“Robin Hood”) recognized IJC’s unique potential to help individuals escape poverty and incubated the program by providing management and financial support as well as office space during its first year of operation. With seed funding from Robin Hood and the JPB Foundation, IJC welcomed its first class of Fellows in September 2014.

IJC recruits talented lawyers and college graduates from around the country and places them at New York’s leading non-profit legal services providers and community-based organizations. Two types of fellowships are provided. Justice Fellows are recent law school graduates who handle complex immigration cases, dealing with removal defense, asylum, Violence Against Women Act (VAWA), and Special Immigrant Juveniles Status (SIJS). Community Fellows are recent college graduates who conduct outreach and legal intake in underserved neighborhoods, and file applications for citizenship, green cards, and Deferred Action for Childhood Arrivals (DACA), under the direct supervision of IJC staff attorneys. Twenty-five Justice Fellows are working with twelve non-profit legal services providers and ten Community Fellows are working with five non-profit organizations all servicing New York City and its surrounding boroughs.

Subsequent to year end, on November 4, 2014 the Internal Revenue Service (IRS) issued a letter in which they determined that IJC is exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under section 170(b)(1)(A)(vi).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“US GAAP”). IJC’s net assets, support and revenues are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, the net assets of IJC and changes therein are classified as follows:

Unrestricted - Net assets that are expendable for any purpose in performing the primary objectives of IJC.

Temporarily restricted - Net assets that are subject to donor-imposed stipulations that will be met either by actions of IJC and/or the passage of time.

Permanently restricted - Net assets that are subject to donor-imposed stipulations requiring that the corpus be retained in a fund of permanent duration and the income therefrom be used for general or specific purposes, as required by donors. IJC had no permanently restricted net assets at August 31, 2014.

IMMIGRANT JUSTICE CORPS, INC.
Notes to Financial Statements
August 31, 2014

Revenues are reported as increases in unrestricted net assets unless use of the related assets is restricted by donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. Expirations of temporary restrictions, if any (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions on the statement of activities.

Fair Value Measurements

The Financial Accounting Standards Board (“FASB”) issued Topic 820, under the FASB Accounting Standards Codification, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. Assets and liabilities, subject to the standard, measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes securities for which quoted prices are available but traded less frequently and securities that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value (“NAV”) per share, or its equivalent, that may be redeemed at that NAV at the date of the statement of financial position or in the near term, which IJC has generally considered to be less than 30 days.
- Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management’s best estimate of fair value where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can be redeemed at that NAV in 30 or more days, or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A

IMMIGRANT JUSTICE CORPS, INC.
Notes to Financial Statements
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financial instrument's Level within the fair value hierarchy is based on the lowest verifiable level, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by an entity. IJC considers observable data to be that market data that is readily available, regularly distributed or updated and does not necessarily correspond to IJC's perceived risk of the respective instrument.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and money market accounts with original maturities of 90 days or less from the date of purchase. At August 31, 2014, IJC did not hold cash and cash equivalents.

Pledges Receivable/Contributions

IJC records contributions, including unconditional promises to give (pledges), at the time such contributions are made and confirmed from the respective donor. Contributions are considered unrestricted unless a donor-imposed restriction limits the use of such contributions. Contributions restricted for time and/or program-specific purposes are recorded as temporarily restricted net assets and then released to unrestricted net assets when the respective restriction is satisfied. Receivables are written-off in the period in which they are deemed uncollectible. In addition, all pledges are reviewed and assessed on an individual basis for collectability annually. Any pledges deemed uncollectible are reserved or written-off as part of this process.

Donated Goods and Services

Donated contributions consisting of both program and event related goods and professional services are recorded at their estimated fair value as both revenue and expense. Donated services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. IJC records the estimated fair value of donated services which meet these criteria (see Note 4).

Use of Estimates

The preparation of financial statements in conformity with US GAAP 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.

Subsequent Events

IJC evaluated its August 31, 2014 financial statements for subsequent events through January 16, 2015, the date the financial statements were available to be issued. Except as noted below and in Notes 1 and 8, IJC is not aware of any material subsequent events which would require recognition or disclosure in the financial statements.

On September 4, 2014, IJC received a \$2.9 million payment from Robin Hood. In December 2014, IJC and Robin Hood reconciled the remaining due to/from balance as of August 31, 2014 and all monies owed were remitted to the respective organizations.

IMMIGRANT JUSTICE CORPS, INC.
Notes to Financial Statements
August 31, 2014

3. PLEDGES RECEIVABLE, NET

Pledges receivable, net, are summarized as follows at August 31, 2014:

Unconditional promises expected to be collected in	
Less than one year	\$ 2,870,000
One year to three years	<u>300,000</u>
 Pledges receivable, net	 <u>\$ 3,170,000</u>

4. CONTRIBUTIONS AND DONATED GOODS AND SERVICES

IJC received recognizable donated goods and services in 2014 from the public in support of operations. The fair value of such donations was \$445,973 for the period of inception through August 31, 2014:

Administrative services	\$ 125,542
Legal services	288,227
Web design services	29,756
Office space renovation	<u>2,448</u>
 Total	 <u>\$ 445,973</u>

The above donated goods and services are recorded as both revenues and expenses in the year received and are included in the accompanying statement of activities.

5. INCOME TAXES

IJC follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

IJC is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. IJC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. The tax year ending August 31, 2014 is still open to audit for both federal and state purposes. IJC has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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6. TEMPORARILY RESTRICTED NET ASSETS

At August 31, 2014, IJC's temporarily restricted net assets consist of purpose-restricted and time-restricted net assets. The details of IJC's temporarily restricted net assets for the period of inception through August 31, 2014, follows:

	Temporarily Restricted Contributions	Net Assets Released from Restrictions	Balance at August 31
Time-restricted	\$ 3,933,333	\$ -	\$ 3,933,333
Purpose-restricted			
Fellowships	437,170	-	437,170
Other	190,000	-	190,000
	<u>627,170</u>	<u>-</u>	<u>627,170</u>
Total	<u>\$ 4,560,503</u>	<u>\$ -</u>	<u>\$ 4,560,503</u>

7. CONCENTRATIONS

For the period of inception through August 31, 2014, IJC received contributions from three sources totaling approximately \$5.4 million and representing approximately 88% of total contribution revenues.

8. COMMITMENTS

Justice Fellowships run for two years, with the possibility of renewing for a third year based on mutual agreement by the Fellow and the host organization. During the two years of the Fellowship, Fellows' salaries and benefits will be underwritten by IJC.

Community Fellowships run for two years. Fellows will be trained by IJC at the start of their fellowship and will meet biweekly throughout the course of the fellowship for professional development, skills training, and support.

At August 31, 2014, the annual commitments for Justice and Community Fellowships is as follows:

	Justice Fellowships	Community Fellowships	Total
2015	\$ 1,562,500	\$ 382,000	\$ 1,944,500
2016	<u>1,562,500</u>	<u>380,000</u>	<u>1,942,500</u>
Total	<u>\$ 3,125,000</u>	<u>\$ 762,000</u>	<u>\$ 3,887,000</u>

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Subsequent to year end, IJC completed the application process for the second cohort of Justice Fellows. Offers were made to 25 Justice Fellows to start their two-year Fellowships on September 2015. IJC's future commitment for the second cohort of Justice Fellows totaled \$1,250,000.