

AMERICAN IMMIGRATION COUNCIL
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2010 AND 2009

AMERICAN IMMIGRATION COUNCIL

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

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Chaconas & Wilson, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
American Immigration Council
Washington, DC

We have audited the accompanying statements of financial position of the American Immigration Council as of December 31, 2010 and 2009, the related statements of activities and cash flows for the years then ended and the functional expense statement for the year ended December 31, 2010. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year's summarized comparative information for the functional expense statement has been derived from the Organization's 2009 financial statements. In our report dated September 29, 2010, we expressed an unqualified opinion on those statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Immigration Council as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Chaconas & Wilson, P.C.

August 27, 2011

AMERICAN IMMIGRATION COUNCIL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

ASSETS

	2010	2009
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	\$ 1,210,507	\$ 456,503
Certificates of deposit (Note 2)	326,812	1,277,421
Due from AILA (Note 5)	253,994	150,181
Grants receivable (Note 4)	430,893	179,202
Other receivables	15,071	41,575
Prepaid expenses	3,453	335
Total Current Assets	<u>\$ 2,240,730</u>	<u>\$ 2,105,217</u>
PROPERTY AND EQUIPMENT, at cost (Note 2)		
Furniture and equipment	\$ 216,461	\$ 215,462
Less, accumulated depreciation	(165,716)	(129,516)
Property and Equipment, net	<u>\$ 50,745</u>	<u>\$ 85,946</u>
OTHER ASSETS:		
Certificates of deposit - long term (Note 2)	\$ 247,389	\$ -
Ratner sculptures (Note 2)	76,000	76,000
Total Other Assets	<u>\$ 323,389</u>	<u>\$ 76,000</u>
TOTAL ASSETS	<u><u>\$ 2,614,864</u></u>	<u><u>\$ 2,267,163</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 292,186	\$ 161,351
Accrued expenses	103,296	96,671
Total Current Liabilities	<u>\$ 395,482</u>	<u>\$ 258,022</u>
NET ASSETS:		
Unrestricted (Note 2)	\$ 310,625	\$ 320,304
Board designated fund (Note 9)	981,557	961,281
Total unrestricted	1,292,182	1,281,585
Temporarily restricted (Notes 2 and 8)	927,200	727,556
Total Net Assets	<u>\$ 2,219,382</u>	<u>\$ 2,009,141</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,614,864</u></u>	<u><u>\$ 2,267,163</u></u>

The accompanying notes are an integral part of these statements.

AMERICAN IMMIGRATION COUNCIL

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010		
	Unrestricted	Temporarily Restricted	Total
REVENUES:			
Contributions (Note 2)	\$ 143,800	\$ 1,217,330	\$ 1,361,130
Exchange visitor program	681,260	-	681,260
Special events	530,265	-	530,265
Publication sales	50,000	-	50,000
Contributed services (Notes 2 and 5)	100,309	-	100,309
Other revenue	14,215	-	14,215
Interest income	13,751	-	13,751
Net assets released from restriction:			
Satisfaction of time or program accomplishment	1,017,686	(1,017,686)	-
 Total Support and Revenue	 \$ 2,551,286	 \$ 199,644	 \$ 2,750,930
EXPENSES:			
Program services:			
Legal Action Center	\$ 699,539	\$ -	\$ 699,539
Immigration Policy Center	834,534	-	834,534
International Exchange Center	361,525	-	361,525
Community Education Center	85,887	-	85,887
Total Program Services	\$ 1,981,485	\$ -	\$ 1,981,485
Supporting services:			
Fundraising	\$ 367,038	\$ -	\$ 367,038
Management and General	111,359	-	111,359
Leadership	80,807	-	80,807
Total Supporting Services	\$ 559,204	\$ -	\$ 559,204
 Total Expenses	 \$ 2,540,689	 \$ -	 \$ 2,540,689
 CHANGE IN NET ASSETS	 \$ 10,597	 \$ 199,644	 \$ 210,241
 NET ASSETS, BEGINNING OF YEAR	 1,281,585	 727,556	 2,009,141
 NET ASSETS, END OF YEAR	 \$ 1,292,182	 \$ 927,200	 \$ 2,219,382

The accompanying notes are an integral part of these statements.

2009		
Unrestricted	Temporarily Restricted	Total
\$ 410,923	\$ 520,500	\$ 931,423
533,478	-	533,478
509,960	-	509,960
35,582	-	35,582
242,660	-	242,660
41,764	-	41,764
27,888	-	27,888
756,379	(756,379)	-
<u>\$ 2,558,634</u>	<u>\$ (235,879)</u>	<u>\$ 2,322,755</u>
\$ 634,841	\$ -	\$ 634,841
1,072,434	-	1,072,434
385,997	-	385,997
62,232	-	62,232
<u>\$ 2,155,504</u>	<u>\$ -</u>	<u>\$ 2,155,504</u>
\$ 398,510	\$ -	\$ 398,510
135,437	-	135,437
83,909	-	83,909
<u>\$ 617,856</u>	<u>\$ -</u>	<u>\$ 617,856</u>
<u>\$ 2,773,360</u>	<u>\$ -</u>	<u>\$ 2,773,360</u>
\$ (214,726)	\$ (235,879)	\$ (450,605)
<u>1,496,311</u>	<u>963,435</u>	<u>2,459,746</u>
<u><u>\$ 1,281,585</u></u>	<u><u>\$ 727,556</u></u>	<u><u>\$ 2,009,141</u></u>

AMERICAN IMMIGRATION COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

(WITH COMPARATIVE TOTALS FOR 2009)

	Program Services				
	Legal Action Center	Immigration Policy Center	International Exchange Center	Community Education Center	Total Program Services
Salaries and benefits	\$ 533,730	\$ 594,527	\$ 257,001	\$ 53,590	\$ 1,438,848
Contributed services	31,528	35,119	15,181	3,166	84,994
Accounting fees	-	-	-	-	-
Awards	-	-	-	7,369	7,369
Bank charges	31	34	15	3	83
Communication	-	8,163	-	-	8,163
Conferences and meetings	44,718	15,208	-	4,339	64,265
Database fees	-	-	13,975	-	13,975
Depreciation	11,378	12,674	5,479	1,142	30,673
Equipment rental	8,926	9,942	4,298	896	24,062
Exhibit hall	-	-	-	-	-
Insurance	3,044	-	-	-	3,044
Legal fees	3,041	1,098	475	99	4,713
Library resources	843	3,993	251	250	5,337
Marketing and promotion	-	-	80	667	747
Miscellaneous	2,986	3,388	1,438	300	8,112
Occupancy	44,722	49,816	21,534	4,490	120,562
Outside services	961	57,162	3,123	4,123	65,369
Postage and shipping	823	395	21,517	373	23,108
Printing and publications	2,020	2,454	4,811	237	9,522
Program fees	-	-	5,065	-	5,065
Strategic planning	-	9,312	-	-	9,312
Supplies	1,532	1,709	738	154	4,133
Taxes and filing fees	-	-	-	-	-
Telephone	1,397	10,521	2,576	402	14,896
Training	1,255	559	-	-	1,814
Travel	5,711	17,465	3,538	2,566	29,280
Website and online services	893	995	430	1,721	4,039
Total Expenses	<u>\$ 699,539</u>	<u>\$ 834,534</u>	<u>\$ 361,525</u>	<u>\$ 85,887</u>	<u>\$ 1,981,485</u>

The accompanying notes are an integral part of this statement.

Supporting Services					
Fundraising	Management and General	Leadership	Total Supporting Services	Total 2010	Total 2009
\$ 158,520	\$ 63,352	\$ 37,376	\$ 259,248	\$ 1,698,096	\$ 1,678,640
9,364	3,742	2,208	15,314	100,308	242,660
-	29,089	-	29,089	29,089	48,544
-	-	-	-	7,369	6,775
10,905	4	2	10,911	10,994	11,415
-	-	-	-	8,163	-
-	-	10,544	10,544	74,809	235,318
-	-	-	-	13,975	17,547
3,379	1,351	797	5,527	36,200	24,912
2,652	1,060	626	4,338	28,400	2,754
-	-	-	-	-	1,103
-	5,627	-	5,627	8,671	9,707
293	117	69	479	5,192	7,212
32	13	7	52	5,389	4,926
5,646	-	-	5,646	6,393	25,442
887	354	276	1,517	9,629	-
13,283	5,308	3,132	21,723	142,285	151,628
156,301	114	51	156,466	221,835	81,562
103	20	67	190	23,298	20,427
21	-	-	21	9,543	8,673
-	-	-	-	5,065	-
-	-	-	-	9,312	90,380
455	181	106	742	4,875	8,251
-	139	-	139	139	4,074
770	633	5,672	7,075	21,971	16,074
-	149	-	149	1,963	1,522
4,162	-	19,811	23,973	53,253	71,502
265	106	63	434	4,473	2,312
<u>\$ 367,038</u>	<u>\$ 111,359</u>	<u>\$ 80,807</u>	<u>\$ 559,204</u>	<u>\$ 2,540,689</u>	<u>\$ 2,773,360</u>

AMERICAN IMMIGRATION COUNCIL

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 210,241	\$ (450,605)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	36,200	24,912
(Increase) decrease in assets:		
Due from/to AILA	(103,813)	(14,353)
Contributions receivable	(251,691)	250,798
Other receivables	26,504	(18,974)
Prepaid expenses	(3,118)	320
Increase (decrease) in liabilities:		
Accounts payable	130,835	(125,267)
Accrued expenses	<u>6,625</u>	<u>(36,672)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 51,783</u>	<u>\$ (369,841)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (999)	\$ (69,502)
Purchase of certificates of deposit	-	(358,201)
Proceeds from maturity of certificates of deposit	<u>703,220</u>	<u>-</u>
Net Cash Provided by (Used in) Investing Activities	<u>\$ 702,221</u>	<u>\$ (427,703)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 754,004</u>	<u>\$ (797,544)</u>
CASH, BEGINNING OF YEAR	<u>456,503</u>	<u>1,254,047</u>
CASH, END OF YEAR	<u><u>\$ 1,210,507</u></u>	<u><u>\$ 456,503</u></u>

The accompanying notes are an integral part of these statements.

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 1. Organization:

The American Immigration Council (the Council) is a non-profit organization located in Washington, DC. The Council was incorporated under the laws of the state of Delaware on June 16, 1987. The mission of the Council is to strengthen America by honoring our immigrant history and shaping how Americans think and act towards immigration now and in the future. Prior to 2009, the Council was known as the American Immigration Law Foundation. The Council's program areas are:

Legal Action Center (LAC):

The Legal Action Center works to advance fundamental fairness in U.S. immigration law and to protect the constitutional and legal rights of noncitizens. In pursuit of its mission, the LAC has established itself as a leader in litigation, information-sharing, and collaboration among immigration litigators across the country. The LAC works with other immigrants' rights, civil rights and human rights organizations and immigration attorneys throughout the United States to promote the just and fair administration of our immigration laws and the accountability of immigration agencies.

Immigration Policy Center (IPC):

The Council's Immigration Policy Center is the policy and research arm of the Council. It is dedicated to producing and supporting research and analysis about the contributions made to America by immigrants and immigration, particularly focusing on the economic and social contributions made possible by a well regulated immigration policy. The IPC publishes fact sheets, perspectives pieces, special reports, and a daily blog. The IPC also works to disseminate its studies and papers to a broad audience of both national policymakers and media and local opinion leaders in cities throughout the country. Congressional briefings, press conferences, and symposia are also used to present our findings to the public.

Community Education Center (CEC):

The Community Education Center strives to promote a better understanding of immigrants and immigration by providing educational resources that inspire thoughtful dialogue, creative teaching and critical thinking. Dedicated to the American values of fairness, social justice and respect for all people, the CEC is committed to making immigration an "everybody issue". The CEC also highlights the positive contributions immigrants have made and continue to make to American society through its programmatic work. Through educator workshops, an annual creative writing contest, resources for teachers created by teachers and community grants the CEC brings the discussion of immigration to communities across the nation.

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2009

Note 1. Organization (Concluded)

International Exchange Center (IEC):

Sponsoring J-1 visas for international trainees and interns at U.S. businesses of all sizes, the International Exchange Center promotes the understanding of temporary immigration and participation in the global economy. Designated by the U.S. Department of State to offer our exchange visitor programs, we facilitate emerging professionals to develop career-enhancing skills at U.S. companies to use in their home countries. The participating businesses and institutions will, in turn, benefit from exposure to varying cultures in the countries into which they are operating or into which they are expanding. Short term outbound programs periodically offer Americans interested in learning about international immigration and human rights issues the opportunity to participate in overseas study tours to gain new perspectives on these vital issues.

Awards and Scholarships:

The Council sponsors several awards each year, such as a legal writing competition, the Dubroff Award for law students writing a paper on an immigration law topic of their choosing, and an essay contest for fifth graders nationwide that produces thousands of entries, with the winner and his or her family awarded a vacation trip to the city of the Council's annual benefit dinner.

Note 2. Summary of Significant Accounting Policies:

Method of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Reclassifications

Certain reclassifications have been made to the December 31, 2009 financial statements to make them comparable with the December 31, 2010 financial statements.

Contributions

The Council recognizes contribution revenue when an unconditional pledge is made or when cash is received if a pledge was not made. Contributions received are reported as unrestricted, temporarily restricted, or permanently restricted, based on donor intent.

Donated Services

Contributions of donated services that create or enhance non-financial assets, or that require specialized skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2009

Note 2. **Summary of Significant Accounting Policies:** (Continued)

Cash and Cash Equivalents

The Council considers all short term investments with original maturities of three months or less to be cash equivalents. At times, the demand deposits exceeded federally insured limits. The Council has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk.

Accounts Receivable

The Council considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is made. If accounts become uncollectible, they will be charged to operations when that determination is made. If the allowance method was used instead, the results would not be materially different.

Certificates of Deposit

Certificates of deposit are recorded at cost which approximates fair market value based on quoted prices. The certificate of deposit are held to maturity and not considered a debt or equity security under Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC) 820-10 Fair Value Measurements and Disclosure.

Furniture, Equipment, and Artwork

Furniture and equipment are stated at cost. Depreciation is calculated on a straight line basis over a three year or five year estimated useful life. The Council capitalizes property and equipment purchases of \$500 or more.

The Council has capitalized artwork acquired in 2008. Items acquired are recorded at cost if purchased and at appraised or fair value at date of accession if donated. Gains and losses from the deaccessions are reported as changes in net assets based on the absence or existence and nature of donor-imposed restrictions. Artwork that has indefinite or extraordinarily long useful lives are not depreciated as long as they have cultural value that is worth preserving and are actually being preserved. For the years ended December 31, 2010 and 2009, Ratner sculptures totaled \$76,000.

Functional Allocation of Expenses

The allocation of the costs of providing various programs has been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain indirect costs have been allocated to program and supporting activities based on management's estimate of effort devoted to these activities.

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2010

Note 2. Summary of Significant Accounting Policies: (Concluded)

Classes of Net Assets

The Council is required to report its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are net assets without a donor imposed time and/or program restriction. The funds are available for general operating purposes.

Temporarily restricted net assets are contributions with donor-imposed time and/or program restrictions. These temporary restrictions require that resources be used for specific purposes and/or in a later period or after a specified date. Temporarily restricted net assets become unrestricted when the time restrictions expire or the funds are used for their restricted purposes and are reported in the accompanying statements of activities as net assets released from restrictions. This method of accounting is also followed when the restrictions on contributions are met in the same period that the contributions are received.

Permanently restricted net assets must be maintained by the Council in perpetuity. There were no permanently restricted net assets as of December 31, 2010 or 2009.

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.

Accounting for Uncertainty in Income Taxes

The Council has adopted FASB ASC 740-10, *Income Taxes*, which prescribes measurements and disclosure requirements for current and deferred income tax provisions. The interpretation provides for a consistent approach in identifying and reporting uncertain tax positions. It is management's belief that the Organization does not hold any uncertain tax positions.

Subsequent Events

The Council has evaluated all subsequent events through August 17, 2011 which was the date the financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2010 AND 2009

Note 3. Tax Status:

The Council has been recognized as exempt from federal income tax by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code, and is classified as an organization that is not a private foundation.

Note 4. Grants Receivable:

All grants receivable are due in one year or less. As of December 31, 2010 and 2009 the balance of grants receivable was \$430,893 and \$179,202, respectively.

Note 5. Related Party Transactions:

The Council is related through common Board membership to the American Immigration Lawyers Association ("AILA"), a 501(c)(6) organization. AILA collects contributions for the Council on their dues invoices and remits the funds collected to the Council as needed. AILA is reimbursed by the Council for various operating costs including employee benefits, rent and office expenses paid by AILA on the Council's behalf. For the years ended December 31, 2010 and 2009, AILA provided grants to the Council. The Council also receives contributed services from AILA. For the years ended December 31, 2010 and 2009 the amount of contributed services was \$100,309 and \$242,660 respectively.

At December 31, 2010 and 2009, the amount owed to the Council by AILA was \$253,994 and \$150,181 respectively.

Note 6. Pension Plan:

The Council maintains a 401(k) retirement plan that covers eligible employees who have completed six months of service and are twenty-one years of age or older. The Council contributes a discretionary profit sharing contribution for eligible employees up to the legal limitation established by the Internal Revenue Service. Employees are 50% vested in the Council's contributions after two years of service. At the end of the third year of service, employees are 100% vested. For the years ended December 31, 2010 and 2009, the Council contributed to the plan \$75,665 and \$55,286 respectively.

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
DECEMBER 31, 2010 AND 2009

Note 7. Operating Lease:

The Council is occupying an office at the AILA headquarters. The Council leases office space under a ten year agreement with AILA that expires April 30, 2018. The future minimum lease payments required under this lease for the years ending December 31 are:

2011	\$ 145,220
2012	148,852
2013	152,576
2014	156,390
2015	160,300
Thereafter	<u>389,294</u>
Total	<u>\$ 1,152,632</u>

Rent expense was \$142,285 and \$151,628 for the years ended December 31, 2010 and 2009, respectively.

Note 8. Temporarily Restricted Net Assets:

Temporarily restricted net assets as of December 31, 2010 and 2009 were available for the following purposes:

	<u>2010</u>	<u>2009</u>
Immigration Policy Center	\$ 654,000	\$ 483,856
Strategic Planning	---	115,000
Awards and scholarships	10,700	10,700
Legal Action Center	260,000	115,500
Legacy Fund	<u>2,500</u>	<u>2,500</u>
Total	<u>\$ 927,200</u>	<u>\$ 727,556</u>

Note 9. Board Designated Fund:

The Board of Directors of the Council has designated a portion of unrestricted net assets as a reserve fund. The funds are available for unexpected expenses and subject to Board approval. The balance as of December 31, 2010 and 2009 was \$981,557 and \$961,281 respectively.

The Board designated net assets are invested in certificates of deposit. The Board of Directors has not established an investment return for these designated net assets. However, the Board has authorized that all interest earned by the certificates of deposit accrue to the Council's unrestricted net assets. The investment objectives of the Council are to create financial stability by preservation of capital that earns a reasonable rate of return.

