

**AMERICAN IMMIGRATION COUNCIL**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2013 AND 2012**

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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 financial statements of the American Immigration Council, which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. We have also audited the statement of functional expenses for the year ended December 31, 2013.

#### ***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 presentation 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 American Immigration Council as of December 31, 2013 and 2012 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.

## Report on Summarized Comparative Information

We have previously audited the American Immigration Council's 2012 financial statements, and our report dated August 12, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Charles E. Wilson, P.C.*

Washington, DC  
July 28, 2014

**AMERICAN IMMIGRATION COUNCIL**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2013 AND 2012**

**ASSETS**

	2013	2012
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents (Note 2)	\$ 1,747,308	\$ 1,204,193
Certificates of deposit (Note 2)	702,751	300,970
Due from AILA (Note 5)	-	295,278
Grants receivable (Notes 2 and 4)	342,350	420,750
Prepaid expenses	9,820	-
Total Current Assets	<u>\$ 2,802,229</u>	<u>\$ 2,221,191</u>
<b>PROPERTY AND EQUIPMENT, at cost (Note 2)</b>		
Furniture and equipment	\$ 267,823	\$ 246,973
Less, accumulated depreciation	(234,074)	(220,483)
Property and Equipment, net	<u>\$ 33,749</u>	<u>\$ 26,490</u>
<b>OTHER ASSETS:</b>		
Certificates of deposit - long term (Note 2)	\$ 258,143	\$ 255,833
Ratner sculptures (Note 2)	76,000	76,000
Total Other Assets	<u>\$ 334,143</u>	<u>\$ 331,833</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,170,121</u></u>	<u><u>\$ 2,579,514</u></u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 203,515	\$ 40,910
Accrued expenses	154,572	158,782
Due to AILA (Note 5)	252,905	-
Total Current Liabilities	<u>\$ 610,992</u>	<u>\$ 199,692</u>
<b>NET ASSETS:</b>		
Unrestricted (Note 2)	\$ 468,909	\$ 394,064
Board designated fund (Note 10)	1,239,204	1,111,314
Total Unrestricted	<u>\$ 1,708,113</u>	<u>\$ 1,505,378</u>
Temporarily restricted (Notes 2 and 8)	837,816	861,244
Permanently restricted (Notes 2 and 9)	13,200	13,200
Total Net Assets	<u>\$ 2,559,129</u>	<u>\$ 2,379,822</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 3,170,121</u></u>	<u><u>\$ 2,579,514</u></u>

The accompanying notes are an integral part of these statements.



**AMERICAN IMMIGRATION COUNCIL**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES:</b>				
Contributions (Note 2)	\$ 473,402	\$ 1,410,538	\$ -	\$ 1,883,940
Exchange visitor program	1,272,484	-	-	1,272,484
Special events	615,641	-	-	615,641
Publication sales	34,918	-	-	34,918
Contributed services (Notes 2 and 5)	113,012	-	-	113,012
Other revenue	644	-	-	644
Interest income	5,800	-	-	5,800
Legal fees recovered	78,300	-	-	78,300
Net assets released from restriction:				
Satisfaction of time or program accomplishment	1,433,966	(1,433,966)	-	-
 Total Support and Revenue	 \$ 4,028,167	 \$ (23,428)	 \$ -	 \$ 4,004,739
<b>EXPENSES:</b>				
Program services:				
Legal Action Center	\$ 824,512	\$ -	\$ -	824,512
Immigration Policy Center	1,092,684	-	-	1,092,684
International Exchange Center	622,367	-	-	622,367
Community Education Center	154,019	-	-	154,019
Communications	289,395	-	-	289,395
Total Program Services	<u>\$ 2,982,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,982,977</u>
Supporting services:				
Fundraising	\$ 526,336	\$ -	\$ -	\$ 526,336
Management and General	250,610	-	-	250,610
Leadership	65,509	-	-	65,509
Total Supporting Services	<u>\$ 842,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,455</u>
 Total Expenses	 \$ 3,825,432	 \$ -	 \$ -	 \$ 3,825,432
 <b>CHANGE IN NET ASSETS</b>	 \$ 202,735	 \$ (23,428)	 \$ -	 \$ 179,307
 <b>NET ASSETS, BEGINNING OF YEAR</b>	 <u>1,505,378</u>	 <u>861,244</u>	 <u>13,200</u>	 <u>2,379,822</u>
 <b>NET ASSETS, END OF YEAR</b>	 <u><u>\$ 1,708,113</u></u>	 <u><u>\$ 837,816</u></u>	 <u><u>\$ 13,200</u></u>	 <u><u>\$ 2,559,129</u></u>

The accompanying notes are an integral part of these statements.

2012

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 396,472	\$ 1,034,694	\$ -	\$ 1,431,166
941,369	-	-	941,369
602,805	-	-	602,805
111,910	-	-	111,910
187,529	-	-	187,529
7,819	-	-	7,819
7,687	-	-	7,687
-	-	-	-
726,424	(726,424)	-	-
<u>\$ 2,982,015</u>	<u>\$ 308,270</u>	<u>\$ -</u>	<u>\$ 3,290,285</u>
\$ 777,746	\$ -	\$ -	\$ 777,746
819,305	-	-	819,305
488,571	-	-	488,571
139,562	-	-	139,562
-	-	-	-
<u>\$ 2,225,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,225,184</u>
\$ 405,299	\$ -	\$ -	\$ 405,299
174,821	-	-	174,821
64,621	-	-	64,621
<u>\$ 644,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 644,741</u>
<u>\$ 2,869,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,869,925</u>
\$ 112,090	\$ 308,270	\$ -	\$ 420,360
<u>1,393,288</u>	<u>552,974</u>	<u>13,200</u>	<u>1,959,462</u>
<u>\$ 1,505,378</u>	<u>\$ 861,244</u>	<u>\$ 13,200</u>	<u>\$ 2,379,822</u>

**AMERICAN IMMIGRATION COUNCIL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR 2012)**

	Program Services					
	Legal Action Center	Immigration Policy Center	International Exchange Center	Community Education Center	Communications	Total Program Services
Salaries and benefits	\$ 637,770	\$ 564,554	\$ 294,724	\$ 97,740	\$ 225,145	\$ 1,819,933
Contributed services	23,924	31,713	18,138	4,451	8,346	86,572
Accounting fees	-	-	-	-	-	-
AILA Services & Equipment	9,999	8,888	4,632	1,538	3,482	28,539
Bank Charges	8	8	15,016	1	3	15,036
Conferences and meetings	899	4,614	411	1,171	2,500	9,595
Consulting services	7,962	389,329	-	-	5,423	402,714
Depreciation	3,914	3,479	1,813	602	1,363	11,171
Equipment rental	2,294	2,039	1,063	353	799	6,548
Grants funded partnerships	-	-	-	16,803	-	16,803
Hosted events	34,934	14,194	6,299	12,103	2,938	70,468
Insurance	7,019	-	162,951	-	-	169,970
Legal fees	3,993	779	79	26	60	4,937
Library/subscription dues	3,404	990	3,900	155	100	8,549
Marketing and promotion	6,793	2,334	239	2,095	2,040	13,501
Occupancy	55,509	49,341	25,711	8,538	19,332	158,431
Outside personnel	-	-	15,248	746	-	15,994
Postage and shipping	1,070	764	25,543	443	295	28,115
Printing and publications	1,904	2,719	4,452	418	543	10,036
Stipend/Training	1,543	25	750	825	470	3,613
Supplies	3,318	3,998	2,405	424	1,213	11,358
Taxes and filing fees	-	50	2,700	-	-	2,750
Technology	1,329	1,181	805	204	463	3,982
Telephone	2,154	4,001	1,586	418	7,731	15,890
Travel	11,705	6,710	3,481	3,897	530	26,323
Website and online services	3,067	974	30,421	1,068	6,619	42,149
Total Expenses	<u>\$ 824,512</u>	<u>\$ 1,092,684</u>	<u>\$ 622,367</u>	<u>\$ 154,019</u>	<u>\$ 289,395</u>	<u>\$ 2,982,977</u>

The accompanying notes are an integral part of this statement.



Supporting Services						
Fundraising	Management and General	Leadership	Total Supporting Services	Total 2013	Total 2012	
\$ 215,616	\$ 148,246	\$ 37,864	\$ 401,726	\$2,221,659	\$1,913,415	Salaries and benefits
14,677	11,754	9	26,440	113,012	128,356	Contributed services
-	39,645	-	39,645	39,645	39,915	Accounting fees
3,416	2,118	646	6,180	34,719	35,919	AILA Services & Equipment
12,962	155	1	13,118	28,154	29,478	Bank charges
2,889	7,263	3,190	13,342	22,937	16,398	Conferences and meetings
600	2,500	-	3,100	405,814	31,892	Consulting services
1,337	829	253	2,419	13,590	26,112	Depreciation
784	486	148	1,418	7,966	5,333	Equipment rental
-	-	-	-	16,803	3,000	Grants funded partnerships
226,930	6,962	2,972	236,864	307,332	170,964	Hosted events
-	7,691	-	7,691	177,661	13,387	Insurance
58	36	11	105	5,042	8,336	Legal fees
995	350	1,500	2,845	11,394	9,931	Library/subscription dues
4,931	1,052	253	6,236	19,737	3,343	Marketing and promotion
18,966	11,757	3,585	34,308	192,739	191,869	Occupancy
502	-	-	502	16,496	6,913	Outside personnel
1,948	476	257	2,681	30,796	34,280	Postage and shipping
2,643	335	101	3,079	13,115	10,627	Printing and publications
-	-	-	-	3,613	42,854	Stipend/Training
1,293	946	1,307	3,546	14,904	14,456	Supplies
-	449	-	449	3,199	3,214	Taxes and filing fees
1,444	281	86	1,811	5,793	1,984	Technology
712	826	2,277	3,815	19,705	15,069	Telephone
7,150	5,212	11,049	23,411	49,734	71,635	Travel
6,483	1,241	-	7,724	49,873	41,245	Website and online services
<u>\$ 526,336</u>	<u>\$ 250,610</u>	<u>\$ 65,509</u>	<u>\$ 842,455</u>	<u>\$3,825,432</u>	<u>\$2,869,925</u>	

**AMERICAN IMMIGRATION COUNCIL**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 179,307	\$ 420,360
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,590	26,112
(Increase) decrease in assets:		
Due from/to AILA	548,183	(282,603)
Contributions receivable	78,400	(56,828)
Other receivables	-	27,561
Prepaid expenses	(9,820)	14
Increase (decrease) in liabilities:		
Accounts payable	162,605	(109,938)
Accrued expenses	<u>(4,210)</u>	<u>53,399</u>
Net Cash Provided by Operating Activities	<u>\$ 968,055</u>	<u>\$ 78,077</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	\$ (20,849)	\$ (26,856)
Purchase of certificates of deposit	(404,091)	-
Proceeds from maturity of certificates of deposit	<u>-</u>	<u>23,723</u>
Net Cash Used in Investing Activities	<u>\$ (424,940)</u>	<u>\$ (3,133)</u>
<b>NET INCREASE IN CASH</b>	\$ 543,115	\$ 74,944
<b>CASH, BEGINNING OF YEAR</b>	<u>1,204,193</u>	<u>1,129,249</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 1,747,308</u></u>	<u><u>\$ 1,204,193</u></u>

The accompanying notes are an integral part of these statements.

## **AMERICAN IMMIGRATION COUNCIL**

### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

**Note 1. Organization:**

The American Immigration Council (the Council), formerly the American Immigration Law Foundation, was established in 1987 as an IRS designated 501(c)(3), tax-exempt, not-for-profit educational, charitable organization.

Our mission is to strengthen America by honoring our immigrant history and shaping how Americans think about and act towards immigration now and in the future.

The Council exists to promote the prosperity and cultural richness of our diverse nation by:

- Educating citizens about the enduring contributions of America's immigrants,
- Standing up for sensible and humane immigration policies that reflect American values,
- Insisting that our immigration laws be enacted and implemented in a way that honors fundamental constitutional and human rights, and
- Working tirelessly to achieve justice and fairness for immigrants under the law.

The American Immigration Council believes that the dignity of the individual knows no boundary. Our nation's moral and ethical values must be reflected in the way we welcome immigrants.

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.



**AMERICAN IMMIGRATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2013 AND 2012**

**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 an exchange visitor program, the IEC facilitates 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.

**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.

**Awards and Scholarships:**

The Council sponsors several awards each year in an effort to promote awareness and recognition of the significant contributions of immigrants to the U.S. economy, culture and society. The Immigrant Achievement and the American Heritage awards bestowed by the Council recognize immigrants who represent the immigrant spirit of tenacity, persistence and ambition to overcome obstacles in their efforts to achieve the American dream while having a direct impact in the community in which they live and thrive. The Immigrant Achievement Awards focus on politically relevant issues regarding immigration and its intersection with the other vital aspects of U.S. politics. The American Heritage Awards recognizes immigrants who have had a significant impact on their fields in relation to the topics being discussed in the annual immigration lawyers' conference. The Council also sponsors a creative writing 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 where the Council's annual benefit dinner is held.

**Communications:**

To enhance its mission, the Council works to promote its events, research and community relation projects among other tasks.

**AMERICAN IMMIGRATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2013 AND 2012**

**Note 2. Summary of Significant Accounting Policies:**

**Method of Accounting**

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

**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.

**In Kind Contributions**

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.

The Council also recognizes in kind contributions that would need to be purchased by the organization if they have not been provided by contributions. These in kind contributions are recorded at fair value (see Note 5).

**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 and Grants Receivable**

Accounts receivable are recorded at the amount the Council expects to collect on balances outstanding at the end of the fiscal year. Management closely monitors amounts receivable and charges off any balances that are determined to be uncollectible. As of December 31, 2013 and 2012, the Council's allowance for doubtful accounts was \$0. The Council had no bad debt expense for the years ended December 31, 2013 and 2012.

**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*.



**AMERICAN IMMIGRATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2013 AND 2012**

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

**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 this artwork 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, 2013 and 2012, 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.

**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. Temporarily restricted net assets that are released in the same period are recorded as unrestricted net assets in the accompanying statements of activities.

Permanently restricted net assets must be maintained by the Council in perpetuity.

**Reclassifications**

Certain reclassifications may have been made to the December 31, 2012 financial statements to make them comparable with the December 31, 2013 financial statements.

**AMERICAN IMMIGRATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2013 AND 2012**

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

**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. The Council's Form 990 *Return of Organization Exempt from Income Tax* for the years ended 2010, 2011 and 2012 are subject to examination by the IRS, generally for three years after they were filed.

**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, 2013 and 2012 the balance of grants receivable was \$342,350 and \$420,750, 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, 2013 and 2012, AILA provided grant contributions to the Council in the amounts of \$229,205 and \$147,500 respectively. The Council also receives contributed services from AILA. For the years ended December 31, 2013 and 2012 the amount of contributed services was \$113,012 and \$128,356 respectively.

At December 31, 2013 the Council owed AILA \$252,905. At December 31, 2012 the amount owed to The Council by AILA was \$295,278.



**AMERICAN IMMIGRATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2013 AND 2012**

**Note 6. Retirement Plan:**

The Council maintains a 401(k) retirement plan that covers eligible employees who have completed three 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. Employee eligibility starts at three months and vested 40% in the Council's contributions after two years of service. At the end of the fifth year of service, employees are 100% vested. For the years ended December 31, 2013 and 2012, the Council contributed to the plan \$71,294 and \$44,478 respectively.

**Note 7. Operating Lease:**

The Council's offices are in AILA's property and headquarters, as has been its operating practice since inception. The terms and conditions of the Council's use of office space have been documented in a memo of understanding between both organizations. The cost of rent, utilities and shared infrastructure is based on the actual annual costs that AILA incurs in financing its purchase and operations of the building. Although there is no actual lease agreement, both parties have agreed to give at least a year's prior notice to effect any changes to this arrangement. The Council's minimum lease obligation for the year ending December 31, 2014 is projected at \$188,000. Rent expense was \$192,739 and \$191,869 for the years ended December 31, 2013 and 2012, respectively.

**Note 8. Temporarily Restricted Net Assets:**

Temporarily restricted net assets as of December 31, 2013 and 2012 were available for the following purposes:

	2013	2012
Immigration Policy Center	\$ 381,250	\$ 661,035
Legal Action Center	200,426	166,118
Community Education Center	---	34,091
General Support	256,140	---
Total	<u>\$ 837,816</u>	<u>\$ 861,244</u>

**AMERICAN IMMIGRATION COUNCIL**  
**NOTES TO FINANCIAL STATEMENTS (CONCLUDED)**  
**DECEMBER 31, 2013 AND 2012**

**Note 9. Permanently Restricted Net Assets:**

Permanently restricted net assets as of December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Williamson Fund	\$ 10,700	\$ 10,700
Legacy Fund	2,500	2,500
Total	<u>\$ 13,200</u>	<u>\$ 13,200</u>

Permanently restricted net assets are invested in savings accounts and certificates of deposit that are held to maturity. The investment policy of the Council is to provide financial stability and a source of funds to meet future needs.

**Note 10. 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, 2013 and 2012 was \$1,239,204 and \$1,111,314, respectively.

The Board designated net assets are invested in savings accounts and 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.

**Note 11. Subsequent Events:**

The Council has evaluated all subsequent events through July 28, 2014 which was the date the financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.