

**AMERICAN IMMIGRATION COUNCIL
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2014 AND 2013**

AMERICAN IMMIGRATION COUNCIL
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2014 AND 2013

TABLE OF CONTENTS

	<u>Page #</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS:	
Statements of Financial Position	3
Statements of Activities.....	4-5
Statement of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9-15

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, 2014 and 2013, 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, 2014.

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, 2014 and 2013 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 2013 financial statements, and our report dated August 12, 2014, 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, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Chambers & Wilson, P.C.

August 17, 2015
Washington, DC

AMERICAN IMMIGRATION COUNCIL
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2014 AND 2013

ASSETS

	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	\$ 1,239,205	\$ 1,747,308
Certificates of deposit (Note 2)	1,365,307	702,751
Accounts Receivable (Note 2)	45,750	-
Grants receivable (Notes 2 and 4)	734,007	342,350
Prepaid expenses	1,457	9,820
Total Current Assets	\$ 3,385,726	\$ 2,802,229
 PROPERTY AND EQUIPMENT, at cost (Note 2)		
Furniture and equipment	\$ 280,052	\$ 267,823
Less, accumulated depreciation	(253,406)	(234,074)
Property and Equipment, net	\$ 26,646	\$ 33,749
 OTHER ASSETS:		
Certificates of deposit - long term (Note 2)	\$ 259,823	\$ 258,143
Deposit	16,209	-
Ratner sculptures (Note 2)	72,000	76,000
Total Other Assets	\$ 348,032	\$ 334,143
 TOTAL ASSETS	\$ 3,760,404	\$ 3,170,121

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 303,538	\$ 203,515
Accrued expenses	239,118	154,572
Deferred revenue (Note 2)	146,155	-
Due to AILA (Note 5)	31,963	252,905
Total Current Liabilities	\$ 720,774	\$ 610,992
 NET ASSETS:		
Unrestricted (Note 2)	\$ 764,171	\$ 468,909
Board designated fund (Note 10)	1,239,204	1,239,204
Total Unrestricted	\$ 2,003,375	\$ 1,708,113
Temporarily restricted (Notes 2 and 8)	1,023,055	837,816
Permanently restricted (Notes 2 and 9)	13,200	13,200
Total Net Assets	\$ 3,039,630	\$ 2,559,129
 TOTAL LIABILITIES AND NET ASSETS	\$ 3,760,404	\$ 3,170,121

The accompanying notes are an integral part of these statements.

AMERICAN IMMIGRATION COUNCIL

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES:				
Contributions (Note 2)	\$ 675,563	\$ 1,247,500	\$ -	\$ 1,923,063
Exchange visitor program	1,434,973	-	-	1,434,973
Special events	595,014	-	-	595,014
Publication sales	120,993	-	-	120,993
Contract income	10,750	-	-	10,750
Contributed services (Notes 2 and 5)	144,535	-	-	144,535
Other revenue	84,546	-	-	84,546
Interest income	5,353	-	-	5,353
Legal fees recovered	292,290	-	-	292,290
Net assets released from restriction:				
Satisfaction of time or program accomplishment	1,062,261	(1,062,261)	-	-
 Total Support and Revenue	 <u>\$ 4,426,278</u>	 <u>\$ 185,239</u>	 <u>\$ -</u>	 <u>\$ 4,611,517</u>
EXPENSES:				
Program services:				
Legal Department	\$ 1,233,427	\$ -	\$ -	1,233,427
Policy Department	882,429	-	-	882,429
International Exchange Center	659,705	-	-	659,705
Education Department	170,494	-	-	170,494
Communications	295,122	-	-	295,122
Total Program Services	<u>\$ 3,241,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,241,177</u>
Supporting services:				
Fundraising	\$ 482,739	\$ -	\$ -	\$ 482,739
Management and General	384,514	-	-	384,514
Leadership	22,586	-	-	22,586
Total Supporting Services	<u>\$ 889,839</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 889,839</u>
 Total Expenses	 <u>\$ 4,131,016</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 4,131,016</u>
 CHANGE IN NET ASSETS	 <u>\$ 295,262</u>	 <u>\$ 185,239</u>	 <u>\$ -</u>	 <u>\$ 480,501</u>
 NET ASSETS, BEGINNING OF YEAR	 <u>1,708,113</u>	 <u>837,816</u>	 <u>13,200</u>	 <u>2,559,129</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 2,003,375</u></u>	 <u><u>\$ 1,023,055</u></u>	 <u><u>\$ 13,200</u></u>	 <u><u>\$ 3,039,630</u></u>

The accompanying notes are an integral part of these statements.

2013

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 473,402	\$ 1,410,538	\$ -	\$ 1,883,940
1,272,484	-	-	1,272,484
615,641	-	-	615,641
34,918	-	-	34,918
-	-	-	-
113,012	-	-	113,012
644	-	-	644
5,800	-	-	5,800
78,300	-	-	78,300
<u>1,433,966</u>	<u>(1,433,966)</u>	<u>-</u>	<u>-</u>
<u>\$ 4,028,167</u>	<u>\$ (23,428)</u>	<u>\$ -</u>	<u>\$ 4,004,739</u>
\$ 824,512	\$ -	\$ -	\$ 824,512
1,092,684	-	-	1,092,684
622,367	-	-	622,367
154,019	-	-	154,019
289,395	-	-	289,395
<u>\$ 2,982,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,982,977</u>
\$ 526,336	\$ -	\$ -	\$ 526,336
250,610	-	-	250,610
65,509	-	-	65,509
<u>\$ 842,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,455</u>
<u>\$ 3,825,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,825,432</u>
\$ 202,735	\$ (23,428)	\$ -	\$ 179,307
<u>1,505,378</u>	<u>861,244</u>	<u>13,200</u>	<u>2,379,822</u>
<u>\$ 1,708,113</u>	<u>\$ 837,816</u>	<u>\$ 13,200</u>	<u>\$ 2,559,129</u>

AMERICAN IMMIGRATION COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2014

(WITH COMPARATIVE TOTALS FOR 2013)

	Program Services					Total Program Services
	Legal Department	Policy Department	International Exchange Center	Education Department	Communications	
Salaries and benefits	\$ 845,695	\$ 661,127	\$ 276,296	\$ 106,923	\$ 229,801	\$ 2,119,842
Contributed services	41,463	31,389	23,467	6,065	10,498	112,882
Accounting fees	-	-	-	-	-	-
AILA Services & Equipment	16,176	12,645	5,223	2,045	4,395	40,484
Bank Charges	1,412	1,104	39,496	192	384	42,588
Conferences and meetings	1,491	3,694	1,055	2,335	3,746	12,321
Consulting services	92,340	55,175	4,000	-	2,500	154,015
Depreciation	6,430	5,027	2,076	813	1,747	16,093
Equipment rental	3,757	2,937	1,873	475	1,021	10,063
Grants funded partnerships	-	-	-	17,211	-	17,211
Hosted events	33,389	20,505	2,364	17,998	350	74,606
Insurance	7,532	-	204,764	-	-	212,296
Legal fees	7,182	766	317	124	266	8,655
Library/subscription dues	2,607	787	3,174	351	1,618	8,537
Marketing and promotion	750	-	-	-	-	750
Occupancy	64,885	50,724	20,951	8,204	17,632	162,396
Outside personnel	-	-	9,008	120	-	9,128
Postage and shipping	285	12	25,637	467	-	26,401
Printing and publications	1,646	4,042	3,116	137	266	9,207
Stipend/Training	14,752	6,838	1,350	1,525	1,315	25,780
Supplies	5,030	3,761	2,792	493	1,105	13,181
Taxes and filing fees	-	-	4,349	-	-	4,349
Technology	1,201	939	388	152	326	3,006
Telephone	1,886	2,352	970	626	4,359	10,193
Travel	15,295	18,605	1,962	3,768	2,681	42,311
Travel stipends	67,806	-	-	-	-	67,806
Website and online services	417	-	25,077	470	11,112	37,076
Total Expenses	\$ 1,233,427	\$ 882,429	\$ 659,705	\$ 170,494	\$ 295,122	\$ 3,241,177

The accompanying notes are an integral part of this statement.

Supporting Services

Supporting Services				Total	Total	
Fundraising	Management and General	Leadership	Total Supporting Services	2014	2013	
\$ 201,535	\$ 224,272	\$ -	\$ 425,807	\$2,545,649	\$2,221,659	Salaries and benefits
17,172	13,678	803	31,653	144,535	113,012	Contributed services
-	42,757	-	42,757	42,757	39,645	Accounting fees
3,855	4,290	-	8,145	48,629	34,719	AILA Services & Equipment
11,913	1,604	-	13,517	56,105	28,154	Bank charges
1,719	9,275	8,582	19,576	31,897	22,937	Conferences and meetings
2,097	26	-	2,123	156,138	405,814	Consulting services
1,532	1,707	-	3,239	19,332	13,590	Depreciation
895	997	-	1,892	11,955	7,966	Equipment rental
-	-	-	-	17,211	16,803	Grants funded partnerships
191,581	6,509	3,216	201,306	275,912	307,332	Hosted events
-	7,760	-	7,760	220,056	177,661	Insurance
234	260	-	494	9,149	5,042	Legal fees
5,727	1,968	24	7,719	16,256	11,394	Library/subscription dues
461	2,612	-	3,073	3,823	19,737	Marketing and promotion
15,462	17,204	-	32,666	195,062	192,739	Occupancy
-	1,250	-	1,250	10,378	16,496	Outside personnel
3,115	3,038	-	6,153	32,554	30,796	Postage and shipping
3,798	456	3	4,257	13,464	13,115	Printing and publications
325	22,937	-	23,262	49,042	3,613	Stipend/Training
3,349	3,327	213	6,889	20,070	14,904	Supplies
-	709	-	709	5,058	3,199	Taxes and filing fees
286	318	-	604	3,610	5,793	Technology
1,544	1,305	1,738	4,587	14,780	19,705	Telephone
9,089	11,636	7,989	28,714	71,025	49,734	Travel
-	-	-	-	67,806	-	Travel stipends
7,050	4,619	18	11,687	48,763	49,873	Website and online services
<u>\$ 482,739</u>	<u>\$ 384,514</u>	<u>\$ 22,586</u>	<u>\$ 889,839</u>	<u>\$4,131,016</u>	<u>\$3,825,432</u>	

AMERICAN IMMIGRATION COUNCIL

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 480,501	\$ 179,307
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,332	13,590
(Increase) decrease in assets:		
Due from/to AILA	(220,942)	548,183
Contributions receivable	(391,657)	78,400
Other receivables	(45,750)	-
Other Assets	(12,209)	-
Prepaid expenses	8,363	(9,820)
Increase (decrease) in liabilities:		
Accounts payable	100,023	162,605
Accrued expenses	84,546	(4,210)
Deferred Revenue	146,155	
Net Cash Provided by Operating Activities	<u>\$ 168,362</u>	<u>\$ 968,055</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (12,229)	\$ (20,849)
Purchase of certificates of deposit	(664,236)	(404,091)
Net Cash Used in Investing Activities	<u>\$ (676,465)</u>	<u>\$ (424,940)</u>
NET (DECREASE) INCREASE IN CASH	<u>\$ (508,103)</u>	<u>\$ 543,115</u>
CASH, BEGINNING OF YEAR	<u>1,747,308</u>	<u>1,204,193</u>
CASH, END OF YEAR	<u><u>\$ 1,239,205</u></u>	<u><u>\$ 1,747,308</u></u>

The accompanying notes are an integral part of these statements.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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 Department:

The Legal Department 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 Legal Department has established itself as a leader in litigation, information-sharing, and collaboration among immigration litigators across the country. The Legal Department 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. During 2014, the Legal Department received donations to partially reimburse AILA chapter members for their travel expenses to the detention center in Artesia, New Mexico in order to provide pro bono legal services to detainees.

Policy Department:

The Council's Policy Department 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 Policy Department publishes fact sheets, perspectives pieces and special reports. The Policy Department 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, 2014 AND 2013

Note 1. **Organization** (Concluded)

International Exchange Center (IEC):

The International Exchange Center (IEC) promotes the understanding of temporary immigration and participation in the global economy by sponsoring J-1 visas for international trainees and interns at U.S. businesses of all sizes. 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.

Education Department

The Education Department 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 Education Department is committed to making immigration an "everybody issue". The Education Department 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 Education Department brings the discussion of immigration to communities across the nation.

Awards and Scholarships:

The Council sponsors several awards each year at national and local levels 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:

The Communications team at the Council is working to drive a rational conversation about immigration in the United States. The communications team supports the programs in planning and executing a wide range of publications and outreach activities with the goal of reaching target audiences. The team also runs our social media components including the highly successful immigration blog www.ImmigrationImpact.com.

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014 AND 2013

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 (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, 2014 and 2013, the Council's allowance for doubtful accounts was \$0. The Council had no bad debt expense for the years ended December 31, 2014 and 2013.

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*.

Deferred Revenue

Deferred revenue represents amounts received in advance of services rendered. Revenue is recognized as services are provided and earned

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014 AND 2013

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, 2014 and 2013, Ratner sculptures totaled \$72,000 and \$76,000, respectively.

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, 2013 financial statements to make them comparable with the December 31, 2014 financial statements.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

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 2011, 2012 and 2013 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, 2014 and 2013 the balance of grants receivable was \$734,007 and \$342,350, 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, 2014 and 2013, AILA provided grant contributions to the Council in the amounts of \$245,005 and \$229,205, respectively. The Council also receives contributed services from AILA. For the years ended December 31, 2014 and 2013 the amount of contributed services was \$144,535 and \$113,012, respectively.

For the years ended December 31, 2014 and 2013, the Council owed AILA \$31,963 and \$252,905 respectively.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

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, 2014 and 2013, the Council contributed to the plan \$133,680 and \$71,294, respectively.

Note 7. Operating Lease:

The Council's offices are housed within AILA's building 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, 2015 is projected at \$195,476. Rent expense was \$195,062 and \$192,739 for the years ended December 31, 2014 and 2013, respectively.

Note 8. Temporarily Restricted Net Assets:

Temporarily restricted net assets as of December 31, 2014 and 2013 were available for the following purposes:

	2014	2013
Immigration Policy Center	\$ 313,557	\$ 381,250
Legal Department	48,332	200,426
Education Department	96,250	---
General Support Time Restricted	564,916	256,140
Total	\$ 1,023,055	\$ 837,816

AMERICAN IMMIGRATION COUNCIL
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)
DECEMBER 31, 2014 AND 2013

Note 9. Permanently Restricted Net Assets:

Permanently restricted net assets as of December 31, 2014 and 2013 consisted of the following:

	2014	2013
Williamson Fund	\$ 10,700	\$ 10,700
Legacy Fund	2,500	2,500
Total	\$ 13,200	\$ 13,200

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, 2014 and 2013 was \$1,239,204 and \$1,239,204, 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 August 17, 2015 which was the date the financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.