



FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

AMERICAN IMMIGRATION COUNCIL

TABLE OF CONTENTS
DECEMBER 31, 2022 AND 2021

	<u>Pages</u>
Independent Auditor's Report	3-4
Financial Statements	
Statements of Financial Position.....	5
Statements of Activities	6-7
Statements of Functional Expenses.....	8-9
Statements of Cash Flows.....	10
Notes to Financial Statements	11-21

Independent Auditor's Report

Board of Directors
American Immigration Council
Washington, D.C.

Opinion

We have audited the accompanying financial statements of American Immigration Council (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Immigration Council as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Immigration Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Immigration Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 American Immigration Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Immigration Council's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Councilor, Buchanan & Mitchell, P.C.

Bethesda, Maryland
July 7, 2023

Certified Public Accountants

AMERICAN IMMIGRATION COUNCIL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 10,919,787	\$ 5,309,384
Certificates of Deposit	820,127	1,584,020
Due from NAEAF	-	840,604
Due from NAERF	-	1,430,939
Accounts Receivable	200,000	-
Contributions Receivable	4,997,657	2,692,232
Due from AILA	274,796	273,907
Prepaid Expenses	128,256	63,045
	17,340,623	12,194,131
Contributions Receivable, Net of Current Portion	794,610	1,380,952
Property and Equipment, at Cost		
Furniture and Equipment	656,275	619,270
Less Accumulated Depreciation	(606,709)	(572,568)
	49,566	46,702
Property and Equipment, Net	49,566	46,702
Ratner Sculptures	63,000	63,000
Total Assets	\$ 18,247,799	\$ 13,684,785
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 795,987	\$ 547,223
Accrued Expenses	460,762	391,991
Deferred Revenue	566,110	337,900
	1,822,859	1,277,114
Net Assets		
Net Assets Without Donor Restrictions	3,802,855	4,040,945
Board Designated Net Assets		
Legal Fee Award Fund	1,158,728	235,814
Board Designated Reserve Fund	2,130,615	2,130,615
	3,289,343	2,366,429
Total Board Designated Net Assets	3,289,343	2,366,429
Total Net Assets Without Donor Restrictions	7,092,198	6,407,374
Net Assets With Donor Restrictions	9,332,742	6,000,297
	16,424,940	12,407,671
Total Net Assets	16,424,940	12,407,671
Total Liabilities And Net Assets	\$ 18,247,799	\$ 13,684,785

See accompanying Notes to Financial Statements.

AMERICAN IMMIGRATION COUNCIL

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 2,572,584	\$ 11,799,056	\$ 14,371,640
Cultural Exchange Program	1,285,435	-	1,285,435
Special Events	314,994	-	314,994
Publication Sales	97,883	-	97,883
Donated Services	186,452	-	186,452
Other Revenue	55,156	-	55,156
Interest Income	2,806	-	2,806
Legal Fees Recovered	787,914	-	787,914
Net Assets Released from Restrictions			
Satisfaction of Time or Program Accomplishment	8,466,611	(8,466,611)	-
Total Support and Revenue	13,769,835	3,332,445	17,102,280
Expenses			
Program Services			
Litigation and Legal Education	1,259,236	-	1,259,236
Policy	1,432,315	-	1,432,315
Cultural Exchange Program	736,567	-	736,567
Immigration Justice Campaign	2,946,991	-	2,946,991
Ad Council Campaign	627,163	-	627,163
Center for Inclusion and Belonging Communications	1,877,403	-	1,877,403
	1,203,204	-	1,203,204
Total Program Services	10,082,879	-	10,082,879
Supporting Services			
Fundraising	1,396,914	-	1,396,914
Management and General	1,605,218	-	1,605,218
Total Supporting Services	3,002,132	-	3,002,132
Total Expenses	13,085,011	-	13,085,011
Change in Net Assets	684,824	3,332,445	4,017,269
Net Assets, Beginning of Year	6,407,374	6,000,297	12,407,671
Net Assets, End of Year	\$ 7,092,198	\$ 9,332,742	\$ 16,424,940

See accompanying Notes to Financial Statements.

AMERICAN IMMIGRATION COUNCIL

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 2,705,152	\$ 7,399,961	\$ 10,105,113
Cultural Exchange Program	498,478	-	498,478
Special Events	321,238	-	321,238
Publication Sales	35,978	-	35,978
Donated Services	193,798	-	193,798
Other Revenue	576,243	-	576,243
Interest Income	3,078	-	3,078
Legal Fees Recovered	73,651	-	73,651
Net Assets Released from Restrictions			
Satisfaction of Time or Program Accomplishment	5,470,718	(5,470,718)	-
Total Support and Revenue	9,878,334	1,929,243	11,807,577
Expenses			
Program Services			
Litigation and Legal Education	1,259,256	-	1,259,256
Policy	503,776	-	503,776
Cultural Exchange Program	425,540	-	425,540
Immigration Justice Campaign	2,015,045	-	2,015,045
Ad Council Campaign	939,832	-	939,832
Center for Inclusion and Belonging Communications	1,249,311	-	1,249,311
	306,177	-	306,177
Total Program Services	6,698,937	-	6,698,937
Supporting Services			
Fundraising	508,396	-	508,396
Management and General	784,333	-	784,333
Total Supporting Services	1,292,729	-	1,292,729
Total Expenses	7,991,666	-	7,991,666
Change in Net Assets	1,886,668	1,929,243	3,815,911
Inherent Contribution	2,196,543	75,000	2,271,543
Change in Net Assets and Inherent Contribution	4,083,211	2,004,243	6,087,454
Net Assets, Beginning of Year	2,324,163	3,996,054	6,320,217
Net Assets, End of Year	\$ 6,407,374	\$ 6,000,297	\$ 12,407,671

See accompanying Notes to Financial Statements.

AMERICAN IMMIGRATION COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services							Supporting Services			Total	
	Litigation and Legal Education	Policy	Cultural Exchange Program	Immigration Justice Campaign	Ad Council Campaign	Center for Inclusion and Belonging	Communications	Total Program Services	Fundraising	Management and General		Total Supporting Services
Salaries and Benefits	\$ 1,034,365	\$ 1,159,786	\$ 391,898	\$ 1,884,294	\$ 8,174	\$ 584,928	\$ 574,361	\$ 5,637,806	\$ 654,967	\$ 739,171	\$ 1,394,138	\$ 7,031,944
Donated Services	27,452	30,639	10,302	50,027	-	15,736	15,229	149,385	17,418	19,650	37,068	186,453
Accounting Fees	-	-	-	-	-	-	-	-	-	413,628	413,628	413,628
AILA Services and Equipment	22,378	24,977	8,398	40,782	-	12,828	12,415	121,778	14,199	16,018	30,217	151,995
Bank Charges	9	10	29,320	52	-	-	-	29,391	21,765	9,365	31,130	60,521
Conferences and Meetings	695	605	1,793	4,004	-	295	286	7,678	327	369	696	8,374
Consulting Services	19,625	85,725	57,075	389,880	616,078	244,246	516,080	1,928,709	178,277	185,908	364,185	2,292,894
Depreciation	5,027	5,610	1,886	9,160	-	2,882	2,789	27,354	3,189	3,598	6,787	34,141
Grants Funded Partnerships	-	-	-	306,235	-	920,000	-	1,226,235	-	-	-	1,226,235
Hosted Events	40,899	11,331	5,047	36,484	2,911	23,297	9,261	129,230	405,861	12,234	418,095	547,325
Insurance	19,110	8,095	140,732	19,236	-	3,400	3,290	193,863	3,763	54,509	58,272	252,135
Legal Fees	8,338	32	6	28	-	9	8	8,421	10	18,905	18,915	27,336
Library/Subscription Dues	8,611	2,723	1,717	7,394	-	1,445	1,821	23,711	1,729	30,473	32,202	55,913
Marketing and Promotion	900	-	302	497	-	555	4,164	6,418	2,284	-	2,284	8,702
Miscellaneous Expense	10,889	32,966	853	15,753	-	2,448	1,346	64,255	3,002	44,435	47,437	111,692
Occupancy	39,136	43,681	14,687	71,321	-	23,174	21,711	213,710	24,831	28,014	52,845	266,555
Outside Personnel	-	-	-	1,870	-	-	-	1,870	-	-	-	1,870
Postage and Shipping	345	218	38,232	719	-	157	99	39,770	167	907	1,074	40,844
Printing and Publications	500	-	-	366	-	-	-	866	6,858	-	6,858	7,724
Stipend/Training	9,362	9,420	678	19,596	-	4,436	1,002	44,494	1,146	1,343	2,489	46,983
Supplies	521	1,079	1,867	1,601	-	280	244	5,592	199	471	670	6,262
Taxes and Filing Fees	1,953	2,176	12,688	3,552	-	1,117	1,081	22,567	2,500	1,475	3,975	26,542
Telephone	276	249	723	464	-	128	139	1,979	141	160	301	2,280
Travel	6,832	7,854	3,699	53,418	-	17,209	5,918	94,930	18,608	8,748	27,356	122,286
Website and Online Services	2,013	5,139	14,664	30,258	-	18,833	31,960	102,867	35,673	15,837	51,510	154,377
Total Expenses	\$ 1,259,236	\$ 1,432,315	\$ 736,567	\$ 2,946,991	\$ 627,163	\$ 1,877,403	\$ 1,203,204	\$ 10,082,879	\$ 1,396,914	\$ 1,605,218	\$ 3,002,132	\$ 13,085,011

See accompanying Notes to Financial Statements.

AMERICAN IMMIGRATION COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services							Supporting Services			Total	
	Litigation and Legal Education	Policy	Cultural Exchange Program	Immigration Justice Campaign	Ad Council Campaign	Center for Inclusion and Belonging	Communications	Total Program Services	Fundraising	Management and General		Total Supporting Services
Salaries and Benefits	\$ 1,038,621	\$ 417,768	\$ 258,075	\$ 1,453,741	\$ -	\$ 421,341	\$ 232,488	\$ 3,822,034	\$ 350,005	\$ 331,241	\$ 681,246	\$ 4,503,280
Donated Services	45,750	16,143	15,524	43,007	-	15,109	14,789	150,322	17,860	25,616	43,476	193,798
Accounting Fees	-	-	-	-	-	-	-	-	-	87,263	87,263	87,263
AILA Services and Equipment	18,193	7,117	4,517	22,704	-	6,586	4,932	64,049	7,362	7,030	14,392	78,441
Bank Charges	-	-	15,374	102	-	-	-	15,476	18,935	9,970	28,905	44,381
Consulting Services	603	11,916	37,240	143,029	939,832	115,087	213	1,247,920	244	134,043	134,287	1,382,207
Depreciation	13,664	5,345	3,392	17,052	-	4,947	3,704	48,104	5,530	5,280	10,810	58,914
Grants Funded Partnerships	10,901	4,264	2,706	209,894	-	628,946	2,955	859,666	4,411	4,212	8,623	868,289
Hosted Events	767	-	-	-	-	5,000	671	6,438	40,640	-	40,640	47,078
Insurance	18,789	4,330	36,905	18,673	-	2,104	1,575	82,376	2,352	31,126	33,478	115,854
Legal Fees	26,999	20	13	64	-	18	14	27,128	21	87,519	87,540	114,668
Library/Subscription Dues	4,565	843	3,672	2,676	-	-	-	11,756	-	1,444	1,444	13,200
Miscellaneous Expense	8,174	3,272	891	3,201	-	1,071	3,302	19,911	2,946	7,820	10,766	30,677
Occupancy	54,243	22,684	14,397	72,366	-	20,993	15,720	200,403	23,466	22,407	45,873	246,276
Outside Personnel	-	-	-	-	-	-	-	-	-	6,668	6,668	6,668
Postage and Shipping	299	66	16,315	629	-	100	45	17,454	190	802	992	18,446
Stipend/Training	10,102	7,485	1,018	7,679	-	1,485	1,112	28,881	1,660	4,617	6,277	35,158
Supplies	1,146	433	1,687	1,353	-	1,896	234	6,749	315	326	641	7,390
Taxes and Filing Fees	877	343	218	1,095	-	760	238	3,531	2,130	889	3,019	6,550
Telephone	856	317	636	854	-	32	2,180	4,875	163	34	197	5,072
Travel	965	17	175	490	-	4,322	192	6,161	373	4,739	5,112	11,273
Website and Online Services	3,742	1,413	12,785	16,436	-	19,514	21,813	75,703	29,793	11,287	41,080	116,783
Total Expenses	\$ 1,259,256	\$ 503,776	\$ 425,540	\$ 2,015,045	\$ 939,832	\$ 1,249,311	\$ 306,177	\$ 6,698,937	\$ 508,396	\$ 784,333	\$ 1,292,729	\$ 7,991,666

See accompanying Notes to Financial Statements.

AMERICAN IMMIGRATION COUNCIL

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets	\$ 4,017,269	\$ 6,087,454
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	34,141	58,914
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	(1,719,083)	(3,277,224)
Accounts Receivable	(200,000)	-
Due from NAEAF	840,604	(840,604)
Due from NAERF	1,430,939	(1,430,939)
Prepaid Expenses	(65,211)	3,265
Ratner Sculptures	-	250
Due from/to AILA	(889)	94,501
<u>Increase in Liabilities</u>		
Accounts Payable	248,764	153,254
Accrued Expenses	68,771	54,124
Deferred Revenue	228,210	229,810
	4,883,515	1,132,805
Net Cash Provided by Operating Activities		
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(37,005)	(20,854)
Redemption (Purchase) of Certificates of Deposit	763,893	(2,171)
	726,888	(23,025)
Net Cash Provided by (Used in) Investing Activities		
Net Increase in Cash and Cash Equivalents	5,610,403	1,109,780
Cash and Cash Equivalents, Beginning of Year	5,309,384	4,199,604
Cash and Cash Equivalents, End of Year	\$ 10,919,787	\$ 5,309,384

See accompanying Notes to Financial Statements.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The American Immigration Council (the Council), a 501(c)(3) nonprofit, established on June 26, 1987, is a powerful voice in promoting laws, policies, and attitudes that honor our proud history as a nation of immigrants. The Council works to strengthen America by shaping how America thinks about and acts towards immigrants and by working toward a more fair, just, and inclusive immigration system that opens its doors to those in need of protection and unleashes the energy and skills that immigrants bring. The Council envisions an America that values fairness and justice for immigrants and advances a prosperous future for all.

The Council brings together problem solvers and employs four coordinated approaches to advance change-litigation, research, legislative and administrative advocacy, and communications. With this synergy, the Council works to advance positive public attitudes and create a more welcoming America-one that provides a fair process for immigrants and adopts immigration laws and policies that meet the needs of a 21st century economy.

The Council uses the courts to demand a fair judicial process for immigrants. The Council works to achieve justice and fairness for immigrants under the law. The Council is highly respected for its willingness and ability to bring cutting-edge lawsuits that hold the government accountable for unlawful conduct and restrictive interpretations and implementation of the law.

The Council uses the facts to educate the public on the important and enduring contributions that immigrants make to America. The Council is a national leader in challenging the myths and misinformation that too often dominate the political and public debate around immigration. Through research and analysis, the Council promotes the development of immigration policies that reflect fundamental American values.

The Council leverages and trains a broad network of pro bono allies to increase access to legal counsel for thousands of detained individuals who would otherwise go unrepresented. The Council connects volunteer attorneys with cases screened by partner legal service providers on the ground. Those volunteers also advocate to replace the punitive detention system with a humane approach that includes universal legal representation and other community-based support for individuals during their immigration cases.

The Council's communications strategy is to change hearts and minds on the issue of immigration. The Council employs audience-centered communication strategies and community engagement to change the way people think about and act toward immigrants and immigration. The Council's work is informed by multiple disciplines and grounded in the values of inclusion.

The Council uses cultural exchange to connect American businesses with the global market of ideas and innovation. The Council sponsors interns and trainees for programs that secure the prosperity and cultural richness of a globally engaged society. The Council's experts provide direct support and training to participants, host communities, and attorneys involved in the Exchange Visitor Program.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Council's Program Areas are:

Litigation and Legal Education

The Council is a national leader in immigration litigation and is respected for its willingness and ability to bring cutting-edge lawsuits that hold the government accountable. Through litigation, the Council has stopped, slowed, or improved some of the most egregious, unlawful immigration policies. The Council's Legal Department's robust docket addresses a range of critical issues, including abusive enforcement, the denial of due process, and the lack of transparency. In addition to affirmative litigation, the Council files amicus ("friend of the court") briefs and engages in extensive legal education and technical assistance for individual immigration attorneys through practice advisories and webinars.

The Council has also taken a leading role in shedding light on immigration policies and information that are otherwise shielded from the public eye. The Council's Transparency Team uses the Freedom of Information Act (FOIA) to secure data and documentation from government agencies and takes them to court when they fail to comply. Once the Council receives and analyzes government records and data, the Council publishes reports and shares the information publicly. The Council also leads efforts among litigators, researchers, and advocates to improve transparency within immigration agencies and advance FOIA reform.

Policy and Communications

The Council's Policy Department provides thought leadership and expert insight on a broad range of immigration issues that are priorities for the Council. The team helps ensure that the Council's rigorous publications and analysis are communicated to the right decision makers and messengers at the right moment to improve immigration policy. The team actively monitors the immigration landscape to identify trends and works in close collaboration with other coalition partners to identify and implement effective advocacy strategies. Through administrative advocacy, the Policy Department shares its analysis of new proposals and developments, by participating in stakeholder engagements with government officials and filing complaints calling for investigations of agency wrongdoing. The team also educates Members of Congress by organizing and participating in briefings, submitting statements for the record, and offering lines of questioning for committee hearings.

The Council's outreach efforts include several signature tools: a daily blog, fact sheets, and special reports. Through Immigration Impact (www.ImmigrationImpact.com), the Council's widely read daily blog, the Council provides reliable analysis of the latest immigration news. Blog posts digest the steady pace of immigration developments and challenges throughout the year for a wide-ranging audience of journalists, policy makers, supporters, and the public. Through the Council's media outreach, staff extensively inform and shape the narrative around immigration.

Immigration Justice Campaign

To address the lack of justice for immigrants in detention the Council launched the Immigration Justice Campaign (the Campaign), a joint initiative with the American Immigration Lawyers Association, to increase access to legal counsel for thousands of men, women, and children held in

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Council's Program Areas (Continued) are:

Immigration Justice Campaign (Continued)

detention centers. Since 2017, the Campaign has built a nationwide volunteer network of attorneys, interpreters, social workers, and other supporters to serve thousands of detained individuals who would otherwise go unrepresented and to advocate for the end of immigration detention.

Center for Inclusion and Belonging

The Council's Center for Inclusion and Belonging is working to change hearts and minds towards those considered the "other" and building bridges across differences. The Council will invest in the genuine attitude and behavior changes our country desperately needs to heal and move towards a more united future. The Center will launch and build campaigns and interventions that provide all people in America with unifying experiences that reinforce their sense of connection, community, and shared destiny. The Council's four pillars of work include trainings, campaigns, research, and a community of practice.

Cultural Exchange

The Council's Cultural Exchange Program 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 Cultural Exchange Program 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 who are 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.

AD Council Campaign

The Council launched the Center for Inclusion and Belonging (CIB) in 2019 as a new initiative to activate its mission of changing hearts and minds towards those considered the "other" and building bridges across differences by investing in attitude and behavior changes to heal and move our country forward towards a more unified future. To this end, the Council is partnering with the Ad Council to launch a national communications campaign around immigrant inclusion and has entered into a three-year agreement.

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 net assets with donor restrictions or net assets without donor restrictions, based on donor intent.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cultural Exchange Program

Payments for the Cultural Exchange Program are received in advance. The Council recognizes 80% of revenue related to the Cultural Exchange Program when the exchange application review process is complete. The remaining 20% is recognized when the program is completed, on average, in approximately 10 months. Deferred revenue represents amounts received in advance of services rendered. The Council recognized revenue of approximately \$338,000 and \$108,000, respectively, during the years ended December 31, 2022 and 2021, which had been deferred as of the prior year.

Special Events, Publication Sales, and Legal Fees Recovered

Revenue from special events, publication sales, and legal fees recovered are recognized at a point in time, when the event is held, the publication sold, or legal fees awarded.

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. The amount of donated services received from American Immigration Lawyers Association, an affiliated organization, is discussed in 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 may exceed federally insured limits.

Accounts Receivable

Accounts receivable represents an amount to be received under a settlement agreement related to the Council's program activities.

Contributions Receivable

Contributions receivable are recorded at the amount the Council expects to collect. Management closely monitors contributions receivable and charges off any balances that are determined to be uncollectible. As of December 31, 2022 and 2021, management believes all amounts are fully collectible therefore, no allowance for doubtful accounts is necessary.

Certificates of Deposit

Certificates of deposit are recorded at cost.

Furniture and Equipment

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.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ratner Sculptures

The Council has capitalized artwork that consists of Ratner sculptures 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.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, occupancy, donated professional services, insurance, and general operating costs. The basis of the allocations is direct salary costs which have been allocated to program and supporting functions based on documentation of employee time and effort.

Classes of Net Assets

The Council is required to report its financial position and activities according to two classes of net assets. Those categories are net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - are received without donor time and/or program restriction. The funds are available for general operating purposes.

Net Assets With Donor Restrictions - are received with donor time and/or program restrictions. These donor restricted net assets require that resources be used for specific purposes and/or in a later period or after a specified date. Net assets with donor restrictions 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.

Contributions received with donor conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Council considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed as payments when incurred.

Reclassifications

Certain reclassifications may have been made to the December 31, 2021 financial statements to make them comparable with the December 31, 2022 financial statements.

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 is exempt under Section 501(c)(3) of the Internal Revenue Code (the Code) from the payment of taxes on income other than unrelated business income. No provision for income tax is required for the years ended December 31, 2022 or 2021, as the Council had no net unrelated business income.

The Council requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Council does not believe its financial statements include, or reflect, any uncertain tax positions. The Council’s IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by taxing authorities generally for three years after filing.

2. ADOPTION OF ACCOUNTING STANDARDS IN 2022

Adoption of Accounting Standards Update 2020-07

During the year ended December 31, 2022, the Council adopted the Financial Accounting Standards Board’s (FASB) Accounting Standard Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in program and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

2. ADOPTION OF ACCOUNTING STANDARDS IN 2022 (CONTINUED)

Adoption of Accounting Standards Update 2016-02

During the year ended December 31, 2022, the Council adopted the FASB ASU 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in *Topic 840*. The Council also adopted the following ASUs, which amend and clarify *Leases (Topic 842)*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2021-05, *Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*.

The Council adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022, as the initial date of application. Management has elected to apply all practical expedients available under the new guidance.

The Council does not have any leases with terms in excess of twelve months. The short-term lease expense for the year ended December 31, 2022, was \$267,000.

3. MERGER

During 2021, the Council's Board of Directors adopted a resolution to merge with New American Economy Action Fund, Inc. (NAEAF) and New American Economy Research Fund (NAERF). Under the merger agreement, the assets of NAEAF and NAERF would be transferred to the Council. The merger was effective on December 31, 2021. Total assets including cash and receivables of \$840,604 were transferred from NAEAF and \$1,430,939 were transferred from NAERF to the Council in January 2022. The Council recorded the transfer as an inherent contribution in the statement of activities for the year ended December 31, 2021.

4. CONCENTRATIONS OF CREDIT RISK

The Council maintains cash deposits with various financial institutions that may, from time to time, exceed 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.

As of December 31, 2022, approximately 57% of contributions receivable was due from two donors. As of December 31, 2021, approximately 62% of contributions receivable was due from one donor. For the years ended December 31, 2022 and 2021, approximately 28% and 38%, respectively, of contributions revenue was from one donor each year.

5. RELATED PARTY TRANSACTIONS

The Council is related through aligned missions and operations to American Immigration Lawyers Association (AILA), a 501(c)(6) organization. AILA's Executive Director serves as a non-voting member on the Council's Board of Directors and served as the fiduciary executive director of the Council through July 2022 to the Council.

AMERICAN IMMIGRATION COUNCIL

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

5. RELATED PARTY TRANSACTIONS (CONTINUED)

AILA collects contributions for the Council on their dues invoices and remits the funds collected to the Council. 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, 2022 and 2021, AILA provided contributions to the Council of approximately \$352,000 and \$214,000, respectively. AILA also provided \$75,000 in programmatic support to the Council during the years ended December 31, 2022 and 2021. For the years ended December 31, 2022 and 2021, under an MOU services agreement, the Council made payments to AILA in the amount of approximately \$62,000 and \$96,000, respectively, for services rendered to the Immigration Justice Campaign.

6. DONATED SERVICES

The Council received donated services from AILA for professional services including personnel and employee benefits, management, information technology, and maintenance services. The services were valued at actual cost to AILA. All donated services received by the Council for the years ended December 31, 2022 and 2021, were considered without donor restrictions and made available to be used by the Council as determined by the Board of Directors and management.

7. RETIREMENT PLAN

The Council maintains a 401(k) retirement plan (the Plan), that covers eligible employees who have completed three months of service and are twenty-one years of age or older. The Council may make discretionary matching and nonelective contributions. Discretionary contributions vest over a period as outlined in the plan document. For the years ended December 31, 2022 and 2021, the Council contributed approximately \$130,000 and \$155,000 to the Plan, respectively.

8. LEASE COMMITMENTS

The Council's offices are housed within AILA's building and headquarters. 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. The term of the lease is twelve months.

During August 2022, the Council signed a twelve-month lease for space in New York. Rent expense was approximately \$267,000 and \$246,000 for the years ended December 31, 2022 and 2021, respectively.

AMERICAN IMMIGRATION COUNCIL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022 and 2021, were available for the following purposes:

	<u>2022</u>	<u>2021</u>
Policy	\$ -	\$ 41,667
Executive Development and Integration	7,500	90,000
Justice Campaign	1,392,335	411,667
Ad Council	746,716	185,395
Center for Inclusion and Belonging	483,919	250,000
State and Local	1,292,000	-
Asylum Seekers Advocacy and Case Management	27,364	-
General Support - Time-Restricted	5,369,708	5,008,368
Williamson Fund	10,700	10,700
Legacy Fund	2,500	2,500
	<u> </u>	<u> </u>
Total	<u>\$ 9,332,742</u>	<u>\$ 6,000,297</u>

For the years ended December 31, 2022 and 2021, net assets released from donor restrictions were as follows:

	<u>2022</u>	<u>2021</u>
Legal Department	\$ 20,000	\$ 250,000
Policy	41,667	208,333
Executive Development and Integration	107,500	-
Ad Council	338,679	837,365
Justice Campaign	724,332	1,891,033
Center for Inclusion and Belonging	1,811,481	1,257,361
State and Local	306,492	-
Cultural Exchange	100,000	-
Asylum Seekers Advocacy and Case Management	210,274	-
Border Rights and Mapping Project	-	24,750
General Support - Time-Restricted	4,806,186	1,001,876
	<u> </u>	<u> </u>
Total	<u>\$ 8,466,611</u>	<u>\$ 5,470,718</u>

10. BOARD DESIGNATED FUNDS

The Board of Directors has designated a portion of net assets without donor restrictions for specific purposes.

A reserve fund has been established to pay for unexpected expenses, subject to Board approval. The balance as of December 31, 2022 and 2021, was \$2,130,615.

The Board has a legal fee award fund. The purpose of this fund is to reserve some, or all of the revenue generated by legal fees received through litigation so that it can be managed in a deliberate manner for specific activities and/or expenses. The balance of the legal awards fund at December 31, 2022 and 2021, was \$1,273,728 and \$235,814, respectively.

AMERICAN IMMIGRATION COUNCIL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Council's cash flows have seasonable variations due to the timing of grants and contributions. The Council manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

As of December 31, 2022 and 2021, the following financial assets and liquidity resources were available for general operating expenditures in the years ending December 31, 2023 and 2022:

	2022	2021
<i>Financial Assets</i>		
Cash and Cash Equivalents	\$ 10,919,787	\$ 5,309,384
Certificates of Deposit	820,127	1,584,020
Due from NAEAF	-	840,604
Due from NAERF	-	1,430,939
Accounts Receivable	200,000	-
Contributions Receivable, Current	4,997,657	2,692,232
Due from AILA	274,796	273,907
<hr/>		
Total Financial Assets and Liquidity Resources Available in One Year	17,212,367	12,131,086
Less Amounts Unavailable for General Expenditures within One Year Due to Purpose Restrictions by Donor	(3,263,175)	(991,929)
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Financial Assets and Liquidity Resources Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 13,949,192</u>	<u>\$ 11,139,157</u>

The Board of Directors allows for board designated funds and legal award funds to be used for operations, if necessary.

12. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of December 31, 2022 and 2021, were as follows:

Description	2022	2021
Receivable in Less than One Year	\$ 4,997,657	\$ 2,692,232
Receivable in One to Five Years	844,584	1,450,000
<hr/>		
Contributions Receivable	5,842,241	4,142,232
Less Discount to Net Present Value	(49,974)	(69,048)
<hr/>		
Contributions Receivable, Net of Discount	<u>\$ 5,792,267</u>	<u>\$ 4,073,184</u>

As of December 31, 2022, contributions receivable due in more than one year are discounted at a rate of approximately 5%.

13. CONDITIONAL GRANTS

As of December 31, 2022, the Council was the recipient of a conditional grant in the amount of \$106,000. Revenue related to the grant will be recognized when qualifying expenses are incurred.

AMERICAN IMMIGRATION COUNCIL

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

14. PAYCHECK PROTECTION PROGRAM

In February 2021, the Council received a Small Business Administration (SBA) loan under the Paycheck Protection Program (PPP) in the amount of \$988,897. The Council received forgiveness of the entire amount and, accordingly, recognized the loan as an unconditional contribution in 2021.

15. EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC) was created as part of the CARES Act in response to COVID-19 and provides employers a refundable tax credit against certain employment taxes after March 12, 2020. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 extended the ERC through December 31, 2021.

The Council received approximately \$556,000 under the ERC which is included in other revenue on the statement of activities for the year ended December 31, 2021.

16. CONTINGENCIES

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofit organizations around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. The Council's revenue was negatively impacted by the closing of the J-1 Visa Program by the Department of State in mid-March of 2020 until its partial reopening at the end of March 2021 and the continued limitations on travel. In light of these circumstances, management continues to assess how best to adapt to changed circumstances.

17. SUBSEQUENT EVENTS

The Council has evaluated all subsequent events through July 7, 2023, which was the date the financial statements were available to be issued. No subsequent events requiring disclosure were identified based on this evaluation.