

# NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2021

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

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December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
National Immigration Forum, Inc. and Affiliate

### Opinion

We have audited the accompanying consolidated financial statements of National Immigration Forum, Inc. and Affiliate (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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. 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### Emphasis of Matter

As discussed in Note 14 to the consolidated financial statements, the Organization restated its beginning net assets without restrictions and net assets with restrictions as of January 1, 2021 to correct a misclassification. There was no change to the total beginning net assets as of January 1, 2021. Our opinion is not modified with respect to this matter.

*HAN GROUP LLC*

HAN GROUP LLC  
Washington, DC  
July 22, 2022

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

Consolidated Statement of Financial Position

December 31, 2021

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<b>Assets</b>	
Cash and cash equivalents	\$ 2,471,196
Investments	7,015,660
Accounts receivable	65,000
Contributions and grants receivable	1,363,335
Prepaid expenses and deposits	56,784
Property and equipment, net	<u>169,351</u>
Total assets	<u>\$ 11,141,326</u>
<b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accounts payable and accrued expenses	\$ 325,871
Deferred revenue	66,800
Deferred rent	<u>232,674</u>
Total liabilities	<u>625,345</u>
<b>Net Assets</b>	
Without donor restrictions:	
Undesignated	3,298,867
Board designated	<u>925,122</u>
Total without donor restrictions	4,223,989
With donor restrictions	<u>6,291,992</u>
Total net assets	<u>10,515,981</u>
Total liabilities and net assets	<u>\$ 11,141,326</u>

*See accompanying notes.*

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

Consolidated Statement of Activities

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions and grants	\$ 192,092	\$ 7,126,500	\$ 7,318,592
Awards event	221,500	-	221,500
Program service income	190,958	-	190,958
Other income	9,055	-	9,055
Forgiveness of debt	715,400	-	715,400
Net assets released from restrictions:			
Expiration of time restrictions	3,625,416	(3,625,416)	-
Satisfaction of purpose restrictions	3,232,312	(3,232,312)	-
Total revenue and support	<u>8,186,733</u>	<u>268,772</u>	<u>8,455,505</u>
<b>Expenses</b>			
Program services:			
Constituencies – reform	2,515,677	-	2,515,677
Policy	1,089,101	-	1,089,101
Communications	1,084,510	-	1,084,510
Constituencies – integration	977,342	-	977,342
Awards event	136,534	-	136,534
Associates and governance	80,866	-	80,866
Total program services	<u>5,884,030</u>	<u>-</u>	<u>5,884,030</u>
Supporting services:			
Management and general	421,568	-	421,568
Fundraising	560,165	-	560,165
Total supporting services	<u>981,733</u>	<u>-</u>	<u>981,733</u>
Total expenses	<u>6,865,763</u>	<u>-</u>	<u>6,865,763</u>
<b>Change in Net Assets</b>	1,320,970	268,772	1,589,742
<b>Net Assets, beginning of year as previously stated</b>	3,045,019	5,881,220	8,926,239
<b>Prior Period Adjustment</b>	(142,000)	142,000	-
<b>Net Assets, beginning of year as restated</b>	<u>2,903,019</u>	<u>6,023,220</u>	<u>8,926,239</u>
<b>Net Assets, end of year</b>	<u>\$ 4,223,989</u>	<u>\$ 6,291,992</u>	<u>\$ 10,515,981</u>

See accompanying notes.

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2021

	Program Services						Supporting Services			Total	
	Constituencies - Reform	Policy	Communi- cations	Constituencies - Integration	Awards Event	Associates and Governance	Total Program Services	Management and General	Fundraising		Total Supporting Service
Salaries and related expenses	\$ 591,465	\$ 593,427	\$ 735,192	\$ 597,787	\$ 90,869	\$ 66,396	\$ 2,675,136	\$ 303,924	\$ 387,304	\$ 691,228	\$ 3,366,364
Professional fees	1,463,192	352,172	116,139	244,166	22,399	2,108	2,200,176	45,858	67,844	113,702	2,313,878
Occupancy	75,455	82,223	96,089	77,592	11,394	9,009	351,762	33,301	50,136	83,437	435,199
Dues and publications	77,763	32,634	76,698	27,747	1,276	362	216,480	1,221	28,547	29,768	246,248
Advertising	202,392	-	27,118	-	-	-	229,510	-	-	-	229,510
Travel and conference	70,284	4,937	4,095	4,567	101	19	84,003	64	6,269	6,333	90,336
Telephone	8,399	9,580	11,472	7,206	733	539	37,929	2,236	6,120	8,356	46,285
Depreciation	6,735	8,710	10,200	9,112	1,275	908	36,940	3,063	5,181	8,244	45,184
Other expenses	19,992	5,418	7,507	9,165	8,487	1,525	52,094	31,901	8,764	40,665	92,759
<b>Total Expenses</b>	<b>\$ 2,515,677</b>	<b>\$ 1,089,101</b>	<b>\$ 1,084,510</b>	<b>\$ 977,342</b>	<b>\$ 136,534</b>	<b>\$ 80,866</b>	<b>\$ 5,884,030</b>	<b>\$ 421,568</b>	<b>\$ 560,165</b>	<b>\$ 981,733</b>	<b>\$ 6,865,763</b>

See accompanying notes.



**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

Consolidated Statement of Cash Flows

Year Ended December 31, 2021

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<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 1,589,742
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	45,184
Forgiveness of debt	(715,400)
Change in operating assets and liabilities:	
Accounts receivable	(25,000)
Contributions and grants receivable	397,789
Prepaid expenses and deposits	17,575
Accounts payable and accrued expenses	79,962
Deferred revenue	25,000
Deferred rent	197,657
	<hr/>
Net cash provided by operating activities	1,612,509
	<hr/>
<b>Cash Flows from Investing Activities</b>	
Proceeds from sale of investments	316,000
Purchases of investments	(1,051,747)
Purchases of property and equipment	(180,256)
	<hr/>
Net cash used in investing activities	(916,003)
	<hr/>
<b>Cash Flows from Financing Activities</b>	
Proceeds from loan	357,700
	<hr/>
Net cash provided by financing activities	357,700
	<hr/>
<b>Net Increase in Cash and Cash Equivalents</b>	1,054,206
<b>Cash and Cash Equivalents, beginning of year</b>	1,416,990
	<hr/>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 2,471,196</u>

*See accompanying notes.*

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021

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### 1. Nature of Operations

National Immigration Forum, Inc. (the Forum), founded in 1982, is a nonprofit organization that embraces and upholds America's tradition as a nation of immigrants. The Forum advocates and builds public support for public policies that welcome immigrants and refugees and that are fair and supportive to newcomers in our country. The Forum employs a combination of advocacy, media work, targeted research, training, and public education to provide data to policymakers, the press, and the public about the contributions of immigrants to American society.

America is Better (AIB) (formerly National Immigration Forum Action Fund) was formed in 2009 for the purposes of increasing the profile of policy issues that affect immigrants and influencing federal legislation for the benefit of immigrants.

The Forum and AIB's activities are primarily supported through grants and contributions, awards event and program service income.

### 2. Summary of Significant Accounting Policies

#### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Forum and AIB (collectively, the Organization) due to the presence of controlling interest in AIB by the Forum which requires consolidation under accounting principles generally accepted in the United States of America (GAAP). All significant intercompany balances and transactions have been eliminated in the consolidation.

#### Basis of Accounting and Presentation

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with GAAP. Consequently, revenue is recognized when earned and expenses are recorded when the obligation is incurred.

#### Cash and Cash Equivalents

The Organization considers all highly liquid instruments, which are to be utilized for current operations and which have an original maturity of three months or less, to be cash and cash equivalents. All other highly liquid instruments, which are to be used for the long-term purposes of the Organization, are classified as investments.

#### Accounts Receivable

Accounts receivable primarily consist of events receivable. Accounts receivable are presented at the net amount due to the Organization. The Organization's management periodically reviews the status of all accounts receivable balances for collectability. Each balance is assessed based on management's knowledge of the customer, the Organization's relationship with the customer, and the age of the receivable balance. As a result of these reviews, customer balances deemed to be uncollectible are charged directly to bad debt expenses. Management believes that the use of the direct write-off method approximates the results that would be presented if an allowance for bad debts had been recorded.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021

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### 2. Summary of Significant Accounting Policies (continued)

#### Investments

Investments are measured at fair value and are composed of cash and money market funds and certificates of deposit. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest, dividends and realized and unrealized gains or losses are recorded as investment income when earned. Investment income is presented net of investment advisory and management fees on the accompanying consolidated statement of activities.

#### Property and equipment

Property and equipment over \$1,000 with a projected useful life exceeding one year are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reported on the statement of activities, as appropriate.

#### Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations. Included in net assets without donor restrictions are funds that have been designated by the Organization's Board of Directors for general reserve. At December 31, 2021, the board-designated reserve was \$925,122.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2021.

#### Revenue Recognition

##### *Contributions and Grants*

The majority of the Organization's revenue is received through contributions and grants considered to be contributions. Unconditional contributions and grants without conditions are recognized upon notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions and grants with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying consolidated statement of activities as net assets released from restrictions.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021

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### 2. Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

##### *Contributions and Grants (continued)*

Contributions and grants that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. The Organization adopted the simultaneous release option for donor-restricted conditional contributions and grants that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Revenue recognized on contributions and grants, but has not been received, is reflected as contribution and grants receivable on the accompanying consolidated statement of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances on the accompanying consolidated statement of financial position. The Organization had approximately \$600,000 in unrecognized conditional awards at December 31, 2021.

##### *Awards Event*

Awards event revenue is recognized at the time the event occurs and are billed in advance. Revenue received by the Organization in advance of the events is recorded as deferred revenue. The Organization did not have any deferred event revenue at December 31, 2021.

##### *Program Service Income*

Program service income is recognized once the service is rendered. Revenue received in advance for services is included in deferred revenue on the accompanying consolidated statement of financial position. At December 31, 2021, the balance of deferred program service revenue was \$66,800.

#### Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying consolidated statement of activities. The consolidated statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, occupancy, telephone, and depreciation.

#### Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021

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### 2. Summary of Significant Accounting Policies (continued)

#### Pending Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The core principles of ASU 2020-07 address the measurement of nonfinancial contributions and increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The amendments in the update are to be applied on a retrospective basis. ASU 2020-07 is effective for non-public entities for fiscal years beginning after June 15, 2021.

Management is currently evaluating the impact of ASU 2016-02 and ASU 2020-07 in the Organization's consolidated financial statements.

### 3. Concentrations

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash deposits and investments. The Organization maintains cash deposits and investments with various financial institutions that exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). The Organization has not experienced any losses on its cash deposits and investments to date as it relates to FDIC or SIPC insurance limits. Management periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

The Organization invests funds in a professionally managed portfolio of marketable securities. Such investments are exposed to market and credit risks. Therefore, the Organization's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying consolidated financial statements may not be reflective of the portfolio's value during subsequent periods.

In addition, receivables due from three sources comprised 84% of the total accounts and contributions and grants receivable at December 31, 2021.

### 4. Contributions and Grants Receivable

Contributions and grants receivable is comprised of unconditional promises to give which are receivable as follows at December 31, 2021:

Contributions and grants receivable in less than one year	\$	1,163,335
Contributions and grants receivable in one to five years		<u>200,000</u>
Total contributions and grants receivable	\$	<u>1,363,335</u>

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2021

**4. Contributions and Grants Receivable (continued)**

Contributions and grants receivable are recorded at their net present realizable value. No discount was recorded on the contributions and grants receivable in one to five years, as the discount was not material to the consolidated financial statements for the year ended December 31, 2021. The Organization has not recorded an allowance for uncollectible accounts, as management believes all amounts are fully collectible.

**5. Investments**

Investments consist of the following at December 31, 2021:

Cash and money market funds	\$	6,766,755
Certificates of deposit		<u>248,905</u>
Total investments	\$	<u>7,015,660</u>

**6. Fair Value Measurements**

The three levels of the fair value hierarchy for recurring fair value measurements are prioritized based on the inputs to valuation techniques used to measure fair value and are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 6,766,755	\$ -	\$ -	\$ 6,766,755
Certificates of deposit	<u>248,905</u>	<u>-</u>	<u>-</u>	<u>248,905</u>
Total investments	<u>\$ 7,015,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,015,660</u>

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

Notes to Consolidated Financial Statements

December 31, 2021

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**7. Property and Equipment**

The Organization held the following property and equipment at December 31, 2021:

Furniture and equipment	\$	684,704
Leasehold improvements		491,482
		<u>1,176,186</u>
Less: accumulated depreciation		<u>(1,006,835)</u>
Property and equipment, net	\$	<u>169,351</u>

**8. Liquidity and Availability of Resources**

The following schedule reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year.

Financial Assets:		
Cash and cash equivalents	\$	2,471,196
Investments		7,015,660
Accounts receivable		65,000
Contributions and grants receivable		<u>1,163,335</u>
Total financial assets		10,715,191
Less those unavailable for general expenditures within one year:		
Donor-imposed restrictions (purpose restricted)		<u>(3,634,909)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u>7,080,282</u>

The Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization operates with a balanced budget and without any short or long term non-operating debt. The Organization's Board of Directors had designated a portion of its net assets without donor restriction. While board-designated net assets are invested to achieve long-term appreciation in addition to current income, such funds remain available and may be spent within one year at the discretion of the Board of Directors. Thus, they are included within the funds available for general expenditures total presented above.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021

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### 9. Forgiveness of Debt

The Organization received loan proceeds in the amount of \$357,700 under the Paycheck Protection Program in May 2020. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months.

In October 2020, the Small Business Administration (SBA) extended the deferral period until forgiveness is determined. Under the Corona virus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the SBA in whole or in part. During 2020 and 2021, the Organization used the proceeds for purposes consistent with the PPP. On March 15, 2021, the Organization received forgiveness on the loan in the amount of \$357,700 and there is no further obligation due. The forgiveness is included in forgiveness of debt on the accompanying consolidated statement of activities.

In March 2021, the Organization received a second draw PPP loan proceeds in the amount of \$357,700. The promissory note of the second draw called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments until forgiveness is determined or ten months, whichever occurs first. During 2021, the Organization used the proceeds for purposes consistent with the Paychex Protection Program. On December 27, 2021, the Organization received forgiveness on the loan in the amount of \$357,700 and there is no further obligation due. The forgiveness is included in forgiveness of debt on the accompanying consolidated statement of activities.

### 10. Net Assets with Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2021:

Subject to passage of time	\$ 2,657,083
Subject to expenditure for specified purposes:	
Constituencies – integration and reform program	<u>3,634,909</u>
Total net assets with donor restrictions	<u>\$ 6,291,992</u>

During the year ended December 31, 2021, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	\$ 3,625,416
Satisfaction of purpose restrictions:	
Constituencies – integration and reform program	<u>3,232,312</u>
Total net assets released from donor restrictions	<u>\$ 6,857,728</u>



## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021

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### 11. Commitments and Contingencies

#### Operating Lease

The Organization leased an office space in Washington, D.C. under a lease which expired on May 31, 2021. In January 2021, the Organization entered into a new lease agreement commencing in June 2021 and expiring in September 2032. The base rent increases annually based on scheduled increases provided for in the lease. The Organization received 50% rent abatement for the first 22 months of the lease. The rent expense was \$435,198 for the year ended December 31, 2021. Rent expense over rental payments under this lease is recognized as deferred rent on the accompanying consolidated statement of financial position.

The Organization also maintains an operating lease for a copier, which was entered into in 2020 and will expire in 2026. At December 31, 2021, future minimum lease payments under the operating lease are as follows:

Years ending December 31:	
2022	\$ 161,905
2023	291,004
2024	340,190
2025	348,706
2026	357,417
Thereafter	<u>2,235,327</u>
Total future minimum payments	<u>\$ 3,734,549</u>

#### Line of Credit

In March 2015, The Organization obtained a line of credit of \$450,000. Under the terms of the line of credit, interest on the outstanding balance is calculated monthly using the London Interbank Offering Rate (LIBOR) plus a determined spread percentage. There is no termination date for the line of credit. There was no amount borrowed on the line of credit at December 31, 2021 and there were no draws or repayments during the year ended December 31, 2021.

### 12. Retirement Plan

The Organization maintains a 401(k) retirement plan (the Plan). Employees becomes eligible to participate once they have attained the age of eighteen and completed six months of service. Employer contributions to the Plan consist of discretionary amounts based on employee salary, years of service and total salary of all the participants.

For the year ended December 31, 2021, the Organization contributed \$140,501 on behalf of its employees to the Plan which is included in salaries and related expenses on the accompanying consolidated statement of functional expenses.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2021

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### 13. Income Taxes

The Forum is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code. AIB is exempt from the payment of income taxes on its exempt activities under Section 501(c)(4) of the Internal Revenue Code. The Organization did not have any material unrelated business income for the year ended December 31, 2021.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2021 and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

### 14. Prior Period Adjustment

Prior period adjustment has been made in order to correct an error in the classification of net assets without restrictions and net assets with restrictions. The net effect of the prior period adjustment was to decrease the beginning net assets without restrictions by \$142,000 and increase beginning net assets with donor restrictions by \$142,000 at January 1, 2021. There is no change in total net assets at January 1, 2021.

### 15. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 22, 2022, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the consolidated financial statements.

SUPPLEMENTARY INFORMATION

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**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

Consolidating Schedule of Financial Position

December 31, 2021

	<u>The Forum</u>	<u>AIB</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 302,682	\$ 2,168,514	\$ -	\$ 2,471,196
Investments	6,764,106	251,554	-	7,015,660
Accounts receivable	65,000	-	-	65,000
Contributions and grants receivable	1,313,335	50,000	-	1,363,335
Due from America is Better	460,203	-	(460,203)	-
Prepaid expenses and deposits	41,784	15,000	-	56,784
Property and equipment, net	169,351	-	-	169,351
Total assets	<u>\$ 9,116,461</u>	<u>\$ 2,485,068</u>	<u>\$ (460,203)</u>	<u>\$ 11,141,326</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 325,195	\$ 676	\$ -	\$ 325,871
Due to the Forum	-	460,203	(460,203)	-
Deferred revenue	66,800	-	-	66,800
Deferred rent	232,674	-	-	232,674
Total liabilities	<u>624,669</u>	<u>460,879</u>	<u>(460,203)</u>	<u>625,345</u>
<b>Net Assets</b>				
Without donor restrictions:				
Undesignated	2,354,012	944,855	-	3,298,867
Board designated	925,122	-	-	925,122
Total without donor restrictions	3,279,134	944,855	-	4,223,989
With donor restrictions	5,212,658	1,079,334	-	6,291,992
Total net assets	<u>8,491,792</u>	<u>2,024,189</u>	<u>-</u>	<u>10,515,981</u>
Total liabilities and net assets	<u>\$ 9,116,461</u>	<u>\$ 2,485,068</u>	<u>\$ (460,203)</u>	<u>\$ 11,141,326</u>

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**

Consolidating Schedule of Activities

Year Ended December 31, 2021

	<u>The Forum</u>	<u>AIB</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenue and Support</b>				
Contributions and grants	\$ 5,193,592	\$ 2,125,000	\$ -	\$ 7,318,592
Awards event	196,500	25,000	-	221,500
Program service income	115,958	75,000	-	190,958
Other income	8,845	210	-	9,055
Forgiveness of debt	715,400	-	-	715,400
Total revenue and support	<u>6,230,295</u>	<u>2,225,210</u>	<u>-</u>	<u>8,455,505</u>
<b>Expenses</b>				
Program services:				
Constituencies – reform	1,728,365	787,312	-	2,515,677
Policy	802,998	286,103	-	1,089,101
Communications	931,467	153,043	-	1,084,510
Constituencies – integration	977,342	-	-	977,342
Awards event	122,039	14,495	-	136,534
Associates and governance	69,145	11,721	-	80,866
Total program services	<u>4,631,356</u>	<u>1,252,674</u>	<u>-</u>	<u>5,884,030</u>
Supporting services:				
Management and general	316,396	105,172	-	421,568
Fundraising	480,101	80,064	-	560,165
Total supporting services	<u>796,497</u>	<u>185,236</u>	<u>-</u>	<u>981,733</u>
Total expenses	<u>5,427,853</u>	<u>1,437,910</u>	<u>-</u>	<u>6,865,763</u>
Change in Net Assets	802,442	787,300	-	1,589,742
Net Assets, beginning of year	<u>7,689,350</u>	<u>1,236,889</u>	<u>-</u>	<u>8,926,239</u>
Net Assets, end of year	<u>\$ 8,491,792</u>	<u>\$ 2,024,189</u>	<u>\$ -</u>	<u>\$ 10,515,981</u>

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**  
Schedule of Functional Expenses – National Immigration Forum, Inc.  
Year Ended December 31, 2021

	Program Services						Supporting Services			Total	
	Constituencies - Reform	Policy	Communi- cations	Constituencies - Integration	Awards Event	Associates and Governance	Total Program Services	Management and General	Fundraising		Total Supporting Service
Salaries and related expenses	\$ 419,534	\$ 542,952	\$ 635,296	\$ 597,787	\$ 79,452	\$ 56,595	\$ 2,331,616	\$ 224,076	\$ 322,860	\$ 546,936	\$ 2,878,552
Professional fees	1,051,520	125,055	78,943	244,166	20,466	1,308	1,521,458	33,882	59,583	93,465	1,614,923
Occupancy	56,606	77,605	84,908	77,592	10,452	8,063	315,226	26,779	43,920	70,699	385,925
Dues and publications	11,763	29,634	73,698	27,747	1,276	362	144,480	1,221	28,547	29,768	174,248
Advertising	91,780	-	27,118	-	-	-	118,898	-	-	-	118,898
Travel and conference	67,284	4,937	4,095	4,567	101	19	81,003	64	6,269	6,333	87,336
Telephone	6,613	9,055	10,434	7,206	614	437	34,359	1,474	5,452	6,926	41,285
Depreciation	6,735	8,710	10,200	9,112	1,275	908	36,940	3,063	5,181	8,244	45,184
Other expenses	16,530	5,050	6,775	9,165	8,403	1,453	47,376	25,837	8,289	34,126	81,502
<b>Total Expenses</b>	<b>\$ 1,728,365</b>	<b>\$ 802,998</b>	<b>\$ 931,467</b>	<b>\$ 977,342</b>	<b>\$ 122,039</b>	<b>\$ 69,145</b>	<b>\$ 4,631,356</b>	<b>\$ 316,396</b>	<b>\$ 480,101</b>	<b>\$ 796,497</b>	<b>\$ 5,427,853</b>

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**  
 Schedule of Functional Expenses – America is Better  
 Year Ended December 31, 2021

	Program Services					Supporting Services				Total
	Constituencies - Reform	Policy	Communi- cations	Awards Event	Associates and Governance	Total Program Services	Management and General	Fundraising	Total Supporting Service	
Salaries and related expenses	\$ 129,384	\$ 37,977	\$ 75,168	\$ 8,585	\$ 7,371	\$ 258,485	\$ 61,709	\$ 48,475	\$ 110,184	\$ 368,669
Professional fees	411,672	227,117	37,196	1,933	800	678,718	11,976	8,261	20,237	698,955
Occupancy	18,849	4,618	11,181	942	946	36,536	6,522	6,216	12,738	49,274
Dues and publications	66,000	3,000	3,000	-	-	72,000	-	-	-	72,000
Advertising	110,613	-	-	-	-	110,613	-	-	-	110,613
Travel and conference	3,000	-	-	-	-	3,000	-	-	-	3,000
Telephone	1,786	524	1,038	119	102	3,569	761	670	1,431	5,000
Other expenses	3,461	370	732	84	72	4,719	6,065	473	6,538	11,257
Overhead	42,547	12,497	24,728	2,832	2,430	85,034	18,139	15,969	34,108	119,142
<b>Total Expenses</b>	<b>\$ 787,312</b>	<b>\$ 286,103</b>	<b>\$ 153,043</b>	<b>\$ 14,495</b>	<b>\$ 11,721</b>	<b>\$ 1,252,674</b>	<b>\$ 105,172</b>	<b>\$ 80,064</b>	<b>\$ 185,236</b>	<b>\$ 1,437,910</b>