

# NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2022

(With Summarized Comparative Information for the Year Ended December 31, 2021)

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

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December 31, 2022

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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, 2022, 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, 2022, and the changes in 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 Consolidated 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.

### Adoption of New Accounting Pronouncement

As disclosed in Note 2 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, as amended. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Consolidated 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 Consolidated 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.

### Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated July 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*HAN GROUP LLC*

HAN GROUP LLC  
Washington, DC  
June 16, 2023

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

Consolidated Statement of Financial Position

December 31, 2022

(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,373,487	\$ 2,471,196
Investments	6,723,925	7,015,660
Accounts receivable	40,000	65,000
Contributions and grants receivable	814,508	1,363,335
Prepaid expenses and deposits	45,695	56,784
Property and equipment, net	156,554	169,351
Right-of-use-assets – operating lease	<u>2,890,966</u>	<u>-</u>
Total assets	<u>\$ 13,045,135</u>	<u>\$ 11,141,326</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 371,941	\$ 325,871
Deferred revenue	70,000	66,800
Deferred rent	-	232,674
Operating lease liability	<u>3,287,491</u>	<u>-</u>
Total liabilities	<u>3,729,432</u>	<u>625,345</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	3,792,902	3,298,867
Board designated	<u>571,697</u>	<u>925,122</u>
Total without donor restrictions	4,364,599	4,223,989
With donor restrictions	<u>4,951,104</u>	<u>6,291,992</u>
Total net assets	<u>9,315,703</u>	<u>10,515,981</u>
Total liabilities and net assets	<u>\$ 13,045,135</u>	<u>\$ 11,141,326</u>

*See accompanying notes.*

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

Consolidated Statement of Activities

Year Ended December 31, 2022

(With Summarized Comparative Information for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue and Support</b>				
Contributions and grants	\$ 465,800	\$ 4,939,000	\$ 5,404,800	\$ 7,318,592
Awards event	195,000	-	195,000	221,500
Program service income	155,346	-	155,346	190,958
Investment income, net	51,533	-	51,533	954
Other income	18,050	-	18,050	8,101
Forgiveness of debt	-	-	-	715,400
Net assets released from restrictions:				
Expiration of time restrictions	2,867,500	(2,867,500)	-	-
Satisfaction of purpose restrictions	3,412,388	(3,412,388)	-	-
Total revenue and support	<u>7,165,617</u>	<u>(1,340,888)</u>	<u>5,824,729</u>	<u>8,455,505</u>
<b>Expenses</b>				
Program services:				
Constituencies – reform	2,008,344	-	2,008,344	2,515,677
Communications	1,432,802	-	1,432,802	1,084,510
Policy	1,178,508	-	1,178,508	1,089,101
Constituencies – integration	1,178,258	-	1,178,258	977,342
Awards event	251,432	-	251,432	136,534
Associates and governance	215,103	-	215,103	80,866
Total program services	<u>6,264,447</u>	<u>-</u>	<u>6,264,447</u>	<u>5,884,030</u>
Supporting services:				
Management and general	303,486	-	303,486	421,568
Fundraising	457,074	-	457,074	560,165
Total supporting services	<u>760,560</u>	<u>-</u>	<u>760,560</u>	<u>981,733</u>
Total expenses	<u>7,025,007</u>	<u>-</u>	<u>7,025,007</u>	<u>6,865,763</u>
<b>Change in Net Assets</b>	140,610	(1,340,888)	(1,200,278)	1,589,742
<b>Net Assets, beginning of year</b>	<u>4,223,989</u>	<u>6,291,992</u>	<u>10,515,981</u>	<u>8,926,239</u>
<b>Net Assets, end of year</b>	<u>\$ 4,364,599</u>	<u>\$ 4,951,104</u>	<u>\$ 9,315,703</u>	<u>\$ 10,515,981</u>

*See accompanying notes.*

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

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

(With Summarized Comparative Information for 2021)

	2022					
	Program Services					
	Constituencies - Reform	Communications	Policy	Constituencies - Integration	Awards Event	Associates and Governance
Salaries and related expenses	\$ 589,360	\$ 805,011	\$ 690,684	\$ 755,641	\$ 113,166	\$ 75,091
Professional fees	1,027,758	357,660	342,986	271,129	7,480	111,549
Occupancy	54,990	75,388	64,611	68,713	10,977	7,025
Travel and conference	177,170	26,259	16,472	28,422	102,594	16,558
Dues and publications	119,245	59,207	33,831	22,306	1,047	412
Advertising	11,045	72,926	-	-	-	-
Telephone	9,184	13,218	10,731	12,389	791	515
Depreciation	8,727	12,744	9,476	12,518	1,624	1,055
Other expenses	10,865	10,389	9,717	7,140	13,753	2,898
<b>Total Expenses</b>	<b>\$ 2,008,344</b>	<b>\$ 1,432,802</b>	<b>\$ 1,178,508</b>	<b>\$ 1,178,258</b>	<b>\$ 251,432</b>	<b>\$ 215,103</b>

*See accompanying notes.*



**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**  
Consolidated Statement of Functional Expenses (continued)  
Year Ended December 31, 2022  
(With Summarized Comparative Information for 2021)

	2022				2021	
	Total Program Services	Supporting Services		Total Supporting Services	Total	Total
		Management and General	Fundraising			
Salaries and related expenses	\$ 3,028,953	\$ 230,825	\$ 287,706	\$ 518,531	\$ 3,547,484	\$ 3,366,364
Professional fees	2,118,562	31,216	104,285	135,501	2,254,063	2,313,878
Occupancy	281,704	16,997	26,653	43,650	325,354	435,199
Travel and conference	367,475	97	6,945	7,042	374,517	90,336
Dues and publications	236,048	1,194	18,231	19,425	255,473	246,248
Advertising	83,971	-	-	-	83,971	229,510
Telephone	46,828	1,992	4,069	6,061	52,889	46,285
Depreciation	46,144	3,039	3,602	6,641	52,785	45,184
Other expenses	54,762	18,126	5,583	23,709	78,471	92,759
<b>Total Expenses</b>	<b>\$ 6,264,447</b>	<b>\$ 303,486</b>	<b>\$ 457,074</b>	<b>\$ 760,560</b>	<b>\$ 7,025,007</b>	<b>\$ 6,865,763</b>

See accompanying notes.

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

Consolidated Statement of Cash Flows

Year Ended December 31, 2022

(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (1,200,278)	\$ 1,589,742
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	52,785	45,184
Net realized and unrealized gain on investments	(51,169)	-
Change in the measurement of operating lease	144,612	-
Forgiveness of debt	-	(715,400)
Change in operating assets and liabilities:		
Accounts receivable	25,000	(25,000)
Contributions and grants receivable	548,827	397,789
Prepaid expenses and deposits	11,089	17,575
Accounts payable and accrued expenses	46,070	79,962
Deferred revenue	3,200	25,000
Deferred rent	-	197,657
Net cash (used in) provided by operating activities	<u>(419,864)</u>	<u>1,612,509</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	498,039	316,000
Purchases of investments	(155,135)	(1,051,747)
Purchases of property and equipment	<u>(20,749)</u>	<u>(180,256)</u>
Net cash provided by (used in) investing activities	<u>322,155</u>	<u>(916,003)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from loan	<u>-</u>	<u>357,700</u>
Net cash provided by financing activities	<u>-</u>	<u>357,700</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(97,709)	1,054,206
<b>Cash and Cash Equivalents, beginning of year</b>	<u>2,471,196</u>	<u>1,416,990</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 2,373,487</u>	<u>\$ 2,471,196</u>

*See accompanying notes.*

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022

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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.

#### Adoption of New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as amended. FASB Accounting Standards Codification (ASC) *Topic 842* supersedes the lease requirements in FASB ASC 840. This guidance is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions in this guidance include additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted FASB ASC *Topic 842*, with an initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. The Organization did not restate prior comparative periods as presented under ASC *Topic 842* and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the cumulative impact of the adoption of FASB ASC *Topic 842*. The most significant effect of adopting FASB ASC *Topic 842* was the recognition of \$3,162,177 of an operating lease Right-of-Use (ROU) asset and a total of \$3,394,851 of current and long-term operating lease liability; on the consolidated statement of financial position as of January 1, 2022.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022

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

#### Adoption of New Accounting Pronouncement (continued)

In addition, deferred rent, formerly stated as a separate liability, was reclassified to reduce the ROU operating lease asset.

As part of the transition, the Organization implemented new controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

- No reassessment of whether any expired or existing contracts contain a lease.
- No reassessment of initial direct costs for any existing leases as of the effective date.
- In calculating the right-of-use assets and lease liability, the Organization has elected to combine lease and non-lease components.
- As an accounting policy, the Organization has also elected to apply the short-term lease exception to all leases having initial terms of 12 months or less and recognizes occupancy expense on a straight-line basis over the lease term.

#### 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.

#### Contributions and Grants Receivable

Contributions and grants receivable represent amounts due from the Organization's various donors. The balance of contributions and grants receivable at December 31, 2022 has been deemed by management to be fully collectible within one year. If an amount becomes uncollectible, it is expensed when that determination is made.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022

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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. Cash and money market funds held in the investment portfolios are included in investments on the accompanying statement of financial position.

#### 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.

#### Leases

The Organization accounts for leases in accordance with FASB ASC *Topic 842*. The Organization is a lessee in an operating lease for building space. The lease liability is increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line occupancy expenses over the lease term. Variable lease expenses, if any, are recognized when incurred.

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options or amounts that are probable of being owed under a residual value guarantee. For the purposes of measuring the lease liabilities, the Organization uses a risk-free rate from the U.S. Treasury constant maturities nominal rate based on the period comparable with that of each lease term.

#### Right-of-Use Assets

Right-of-Use (ROU) assets are measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, ROU assets are subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022

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

#### 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, 2022, the board-designated reserve was \$571,697.
- *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, 2022.

#### 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.

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, 2022.

##### *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, 2022.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022

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

#### Revenue Recognition (continued)

##### *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, 2022, the balance of deferred program service revenue was \$70,000.

#### 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 on the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

#### Summarized Comparative Information

The accompanying consolidated financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2021 from which the summarized information was derived.

#### Reclassification

Certain 2021 amounts have been reclassified to conform to the 2022 consolidated financial statement presentations.

### 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.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2022

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### 3. Concentrations (continued)

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, amounts due from four sources comprised 85% of the total accounts and contributions and grants receivable at December 31, 2022.

### 4. Investments

Investments consist of the following at December 31, 2022:

Cash and money market funds	\$	2,869,242
Certificates of deposit		<u>3,854,683</u>
Total investments	\$	<u><u>6,723,925</u></u>

### 5. 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, 2022:

	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 2,869,242	\$ -	\$ -	\$ 2,869,242
Certificates of deposit	<u>3,854,683</u>	<u>-</u>	<u>-</u>	<u>3,854,683</u>
Total investments	<u><u>\$ 6,723,925</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,723,925</u></u>



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

Notes to Consolidated Financial Statements

December 31, 2022

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**6. Property and Equipment**

The Organization held the following property and equipment at December 31, 2022:

Furniture and equipment	\$	724,691
Leasehold improvements		<u>491,482</u>
Total property and equipment		1,216,173
Less: accumulated depreciation		<u>(1,059,619)</u>
Property and equipment, net	\$	<u><u>156,554</u></u>

**7. Liquidity and Availability of Resources**

The following schedule reflects the Organization's financial assets as of December 31, 2022, 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	\$	2,373,487
Investments		6,723,925
Accounts receivable		40,000
Contributions and grants receivable		<u>814,508</u>
Total financial assets		9,951,920
Less those unavailable for general expenditures within one year:		
Donor-imposed restrictions (purpose restricted)		<u>(3,168,521)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$	<u><u>6,783,399</u></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 in the total financial assets available for general expenditures within one year presented above.

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

Notes to Consolidated Financial Statements

December 31, 2022

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**8. Net Assets with Donor Restrictions**

Net assets with donor restrictions were restricted for the following at December 31, 2022:

Subject to passage of time	\$ 1,782,583
Subject to expenditure for specified purposes:	
Constituencies – integration and reform program	<u>3,168,521</u>
Total net assets with donor restrictions	<u>\$ 4,951,104</u>

During the year ended December 31, 2022, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	\$ 2,867,500
Satisfaction of purpose restrictions:	
Constituencies – integration and reform program	<u>3,412,388</u>
Total net assets released from donor restrictions	<u>\$ 6,279,888</u>

**9. 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, 2022 and there were no draws or repayments during the year ended December 31, 2022.

**10. Leases**

In January 2021, the Organization entered into a lease agreement for office space in Washington, D.C. 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 balance of ROU operating assets is as follows at December 31, 2022:

Operating lease ROU assets - building	\$ 3,162,177
Amortization of ROU operating assets - building	<u>(271,211)</u>
Net operating ROU assets	<u>\$ 2,890,966</u>

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

Notes to Consolidated Financial Statements

December 31, 2022

**10. Leases (continued)**

The table below presents a maturity analysis of the operating lease liability and a reconciliation of the total amount of the liability on the consolidated statement of financial position as of December 31, 2022:

For the year ended December 31:		
2023	\$	291,004
2024		340,190
2025		348,706
2026		357,417
2027		366,324
Thereafter		<u>1,869,003</u>
Total future minimum lease payments		3,572,644
Lease: amount of lease payments representing interest		<u>(285,153)</u>
Present value of future minimum lease payments		3,287,491
Less: current obligations under lease		<u>(238,931)</u>
Long-term lease obligations	\$	<u><u>3,048,560</u></u>

For the year ended December 31, 2022, the ROU asset amortization and interest expense totaled approximately \$325,000 which was included in occupancy expense on the consolidated statement of functional expenses.

At December 31, 2022, the weighted average remaining lease term for the Organization's operating lease is 9.75 years.

Because the Organization generally does not have access to the rate implicit in the lease, it utilizes the practical expedient under ASC *Topic 842*, the risk-free rate from the US Treasury, as the discount rate. The weighted average discount rate associated with operating leases as of December 31, 2022 is 1.63%.

**11. Retirement Plan**

The Organization maintains a 401(k) retirement plan (the Plan). Employees become 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, 2022, the Organization contributed \$142,164 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, 2022

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### 12. 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. No provision for federal or state income taxes is required for the year ended December 31, 2022, as the Organization had no taxable unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC *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, 2022 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.

### 13. Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 16, 2023, 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, 2022

	The Forum	AIB	Eliminations	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 694,544	\$ 1,678,943	\$ -	\$ 2,373,487
Investments	6,472,370	251,555	-	6,723,925
Accounts receivable	40,000	-	-	40,000
Contributions and grants receivable	814,508	-	-	814,508
Due from America is Better	440,040	-	(440,040)	-
Prepaid expenses and deposits	45,695	-	-	45,695
Property and equipment, net	156,554	-	-	156,554
Right-of-use assets – operating lease	2,890,966	-	-	2,890,966
Total assets	<u>\$ 11,554,677</u>	<u>\$ 1,930,498</u>	<u>\$ (440,040)</u>	<u>\$ 13,045,135</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 352,911	\$ 19,030	\$ -	\$ 371,941
Due to the Forum	-	440,040	(440,040)	-
Deferred revenue	70,000	-	-	70,000
Operating lease liability	3,287,491	-	-	3,287,491
Total liabilities	<u>3,710,402</u>	<u>459,070</u>	<u>(440,040)</u>	<u>3,729,432</u>
<b>Net Assets</b>				
Without donor restrictions:				
Undesignated	2,839,808	953,094	-	3,792,902
Board designated	571,697	-	-	571,697
Total without donor restrictions	3,411,505	953,094	-	4,364,599
With donor restrictions	4,432,770	518,334	-	4,951,104
Total net assets	<u>7,844,275</u>	<u>1,471,428</u>		<u>9,315,703</u>
Total liabilities and net assets	<u>\$ 11,554,677</u>	<u>\$ 1,930,498</u>	<u>\$ (440,040)</u>	<u>\$ 13,045,135</u>

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

Consolidating Schedule of Activities

Year Ended December 31, 2022

	The Forum	AIB	Eliminations	Total
<b>Revenue and Support</b>				
Contributions and grants	\$ 4,508,800	\$ 896,000	\$ -	\$ 5,404,800
Awards event	180,000	15,000	-	195,000
Program service income	155,346	-	-	155,346
Investment income, net	50,943	590	-	51,533
Other income	18,050	-	-	18,050
<b>Total revenue and support</b>	<b>4,913,139</b>	<b>911,590</b>	<b>-</b>	<b>5,824,729</b>
<b>Expenses</b>				
Program services:				
Constituencies – reform	1,453,036	555,308	-	2,008,344
Communications	1,114,264	318,538	-	1,432,802
Policy	839,336	339,172	-	1,178,508
Constituencies – integration	1,178,258	-	-	1,178,258
Awards event	227,921	23,511	-	251,432
Associates and governance	199,448	15,655	-	215,103
<b>Total program services</b>	<b>5,012,263</b>	<b>1,252,184</b>	<b>-</b>	<b>6,264,447</b>
Supporting services:				
Management and general	191,105	112,381	-	303,486
Fundraising	357,288	99,786	-	457,074
<b>Total supporting services</b>	<b>548,393</b>	<b>212,167</b>	<b>-</b>	<b>760,560</b>
<b>Total expenses</b>	<b>5,560,656</b>	<b>1,464,351</b>	<b>-</b>	<b>7,025,007</b>
<b>Change in Net Assets</b>	<b>(647,517)</b>	<b>(552,761)</b>	<b>-</b>	<b>(1,200,278)</b>
<b>Net Assets, beginning of year</b>	<b>8,491,792</b>	<b>2,024,189</b>	<b>-</b>	<b>10,515,981</b>
<b>Net Assets, end of year</b>	<b>\$ 7,844,275</b>	<b>\$ 1,471,428</b>	<b>\$ -</b>	<b>\$ 9,315,703</b>

**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**  
Schedule of Functional Expenses – National Immigration Forum, Inc.  
Year Ended December 31, 2022

	Program Services						Supporting Services			Total	
	Constituencies - Reform	Constituencies - Integration	Communi- cations	Policy	Awards Event	Associates and Governance	Total Program Services	Management and General	Fundraising		Total Supporting Service
Salaries and related expenses	\$ 503,854	\$ 755,641	\$ 735,709	\$ 547,311	\$ 92,447	\$ 61,253	\$ 2,696,215	\$ 134,460	\$ 208,803	\$ 343,263	\$ 3,039,478
Professional fees	687,397	271,129	121,629	162,393	6,952	111,202	1,360,702	22,941	91,810	114,751	1,475,453
Occupancy	47,618	68,713	68,994	51,668	9,041	5,771	251,805	13,966	19,472	33,438	285,243
Dues and publications	41,698	22,306	59,196	33,808	1,044	410	158,462	1,180	18,218	19,398	177,860
Advertising	11,045	-	68,439	-	-	-	79,484	-	-	-	79,484
Travel and conference	137,303	28,422	25,022	16,472	102,594	16,558	326,371	97	6,945	7,042	333,413
Telephone	8,338	12,389	12,524	9,305	581	377	43,514	1,089	3,286	4,375	47,889
Depreciation	8,727	12,518	12,744	9,476	1,624	1,055	46,144	3,039	3,602	6,641	52,785
Other expenses	7,056	7,140	10,007	8,903	13,638	2,822	49,566	14,333	5,152	19,485	69,051
<b>Total Expenses</b>	<b>\$ 1,453,036</b>	<b>\$ 1,178,258</b>	<b>\$ 1,114,264</b>	<b>\$ 839,336</b>	<b>\$ 227,921</b>	<b>\$ 199,448</b>	<b>\$ 5,012,263</b>	<b>\$ 191,105</b>	<b>\$ 357,288</b>	<b>\$ 548,393</b>	<b>\$ 5,560,656</b>



**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**  
 Schedule of Functional Expenses – America is Better  
 Year Ended December 31, 2022

	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	\$ 67,656	\$ 113,303	\$ 54,654	\$ 16,296	\$ 10,930	\$ 262,839	\$ 77,320	\$ 62,383	\$ 139,703	\$ 402,542
Professional fees	340,361	180,593	236,031	528	347	757,860	8,275	12,475	20,750	778,610
Occupancy	7,372	12,943	6,394	1,936	1,254	29,899	3,031	7,181	10,212	40,111
Dues and publications	77,547	23	11	3	2	77,586	14	13	27	77,613
Advertising	-	-	4,487	-	-	4,487	-	-	-	4,487
Travel and conference	39,867	-	1,237	-	-	41,104	-	-	-	41,104
Telephone	846	1,426	694	210	138	3,314	903	783	1,686	5,000
Other expenses	3,809	814	382	115	76	5,196	3,793	431	4,224	9,420
Overhead	17,850	30,070	14,648	4,423	2,908	69,899	19,045	16,520	35,565	105,464
<b>Total Expenses</b>	<u>\$ 555,308</u>	<u>\$ 339,172</u>	<u>\$ 318,538</u>	<u>\$ 23,511</u>	<u>\$ 15,655</u>	<u>\$ 1,252,184</u>	<u>\$ 112,381</u>	<u>\$ 99,786</u>	<u>\$ 212,167</u>	<u>\$ 1,464,351</u>