

**NATIONAL IMMIGRATION LAW CENTER**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

**NATIONAL IMMIGRATION LAW CENTER**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2012**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
National Immigration Law Center

We have audited the accompanying statement of financial position of National Immigration Law Center (a nonprofit organization) (NILC) as of June 30, 2012 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of NILC's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from NILC's 2011 financial statements and, in our report dated December 1, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NILC as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2012 on our consideration of NILC's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Green Hasson & Janks LLP*

November 27, 2012  
Los Angeles, California

**NATIONAL IMMIGRATION LAW CENTER**

**STATEMENT OF FINANCIAL POSITION**

June 30, 2012

With Summarized Totals at June 30, 2011

<b>ASSETS</b>	2012	2011
Cash and Cash Equivalents	\$ 1,953,380	\$ 2,894,729
Investments	774,315	373,029
Grants Receivable	1,341,340	470,589
Prepaid Expenses and Other Assets	54,865	71,106
Property and Equipment (Net)	51,519	66,497
<b><i>TOTAL ASSETS</i></b>	<b><i>\$ 4,175,419</i></b>	<b><i>\$ 3,875,950</i></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts Payable	\$ 36,790	\$ 427,691
Accrued Liabilities	210,496	221,900
<b><i>TOTAL LIABILITIES</i></b>	<b><i>247,286</i></b>	<b><i>649,591</i></b>
<b>NET ASSETS:</b>		
<b>Unrestricted:</b>		
Unrestricted - Undesignated	340,207	357,872
Unrestricted - Board Designated	1,541,207	1,537,869
<b><i>TOTAL UNRESTRICTED NET ASSETS</i></b>	<b><i>1,881,414</i></b>	<b><i>1,895,741</i></b>
Temporarily Restricted	2,046,719	1,330,618
<b><i>TOTAL NET ASSETS</i></b>	<b><i>3,928,133</i></b>	<b><i>3,226,359</i></b>
<b><i>TOTAL LIABILITIES AND NET ASSETS</i></b>	<b><i>\$ 4,175,419</i></b>	<b><i>\$ 3,875,950</i></b>

The Accompanying Notes are an Integral Part of These Financial Statements

# NATIONAL IMMIGRATION LAW CENTER

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

With Summarized Totals for the Year Ended June 30, 2011

	2012			2011 Total
	Unrestricted	Temporarily Restricted	Total	
<b>REVENUE AND SUPPORT:</b>				
Grants	\$ 2,081,084	\$ 2,582,191	\$ 4,663,275	\$ 2,897,035
Training and Conferences	124,193	-	124,193	838
Contributions	78,988	-	78,988	110,092
Reimbursable Income	61,421	-	61,421	123,989
Special Events (Net of Direct Donor Benefit Costs of \$18,156)	4,937	-	4,937	76,518
Litigation Settlement	21,983	-	21,983	23,000
Grant from Government Agency	16,500	-	16,500	65,864
Investment Income	8,527	-	8,527	2,267
Miscellaneous Income	263	-	263	1,036
Management Fee	-	-	-	25,895
Net Assets Released from Restrictions	1,866,090	(1,866,090)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	4,263,986	716,101	4,980,087	3,326,534
<b>EXPENSES:</b>				
Program Services	3,660,680	-	3,660,680	4,140,111
Supporting Services:				
Management and General	503,174	-	503,174	575,275
Fundraising	114,459	-	114,459	110,727
<b>TOTAL EXPENSES</b>	4,278,313	-	4,278,313	4,826,113
<b>CHANGE IN NET ASSETS</b>	(14,327)	716,101	701,774	(1,499,579)
Net Assets - Beginning of Year	1,895,741	1,330,618	3,226,359	4,725,938
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,881,414</u>	<u>\$ 2,046,719</u>	<u>\$ 3,928,133</u>	<u>\$ 3,226,359</u>

The Accompanying Notes are an Integral Part of These Financial Statements

**NATIONAL IMMIGRATION LAW CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended June 30, 2012**  
**With Summarized Totals for the Year Ended June 30, 2011**

	Program Services			Supporting Services		2012	2011
	NILC	UWDN	Total	Management and General	Fundraising		
<b>PERSONNEL COSTS:</b>							
Salaries	\$ 1,762,146	\$ 97,649	\$ 1,859,795	\$ 274,381	\$ 54,793	\$ 2,188,969	\$ 2,133,952
Benefits	373,386	21,997	395,383	58,139	11,610	465,132	501,878
Contract Staff	87,784	312,901	400,685	42,789	18,319	461,793	281,045
<b>TOTAL PERSONNEL COSTS</b>	<b>2,223,316</b>	<b>432,547</b>	<b>2,655,863</b>	<b>375,309</b>	<b>84,722</b>	<b>3,115,894</b>	<b>2,916,875</b>
<b>OTHER COSTS:</b>							
Training and National Conference	143,589	364	143,953	960	192	145,105	52,080
Litigation	44,481	-	44,481	6,926	1,383	52,790	30,654
Legal and Accounting Fees	-	-	-	34,151	-	34,151	60,107
Project Consulting	10,799	-	10,799	1,682	336	12,817	28,513
Publications	-	63	63	-	-	63	495
<b>TOTAL OTHER COSTS</b>	<b>198,869</b>	<b>427</b>	<b>199,296</b>	<b>43,719</b>	<b>1,911</b>	<b>244,926</b>	<b>171,849</b>
<b>OPERATING COSTS:</b>							
Rent (Net)	195,122	3,500	198,622	30,382	6,067	235,071	215,395
UWDN Events	-	145,983	145,983	-	-	145,983	128,415
Telecommunications	74,607	16,583	91,190	11,617	2,320	105,127	78,030
Travel	58,002	34,294	92,296	9,031	1,804	103,131	207,704
Staff Meeting and Retreats	33,833	13,080	46,913	5,268	1,052	53,233	51,954
Computer Consultant	43,985	-	43,985	6,934	1,385	52,304	44,981
Library	41,659	135	41,794	-	-	41,794	41,534
Board Support	12,710	18,115	30,825	1,979	395	33,199	7,374
Office Supplies	21,970	2,364	24,334	3,421	683	28,438	38,212
Depreciation	19,902	-	19,902	3,099	618	23,619	29,125
Equipment Maintenance and Lease	19,152	-	19,152	2,982	596	22,730	19,159
Bar Dues / Agency and Professional	13,094	-	13,094	-	-	13,094	16,081
Development	-	-	-	-	11,948	11,948	9,122
Bank and Payroll Processing Fees	9,859	215	10,074	1,535	307	11,916	11,550
Insurance	9,108	-	9,108	1,418	283	10,809	11,337
Miscellaneous Operating Expense	5,046	533	5,579	4,995	72	10,646	10,223
Postage and Shipping	6,984	940	7,924	1,088	217	9,229	10,437
Staff Development	1,381	1,790	3,171	215	43	3,429	15,372
Recruitment Costs	1,170	405	1,575	182	36	1,793	5,333
Grant Expense	-	-	-	-	-	-	786,051
Management Fee	(69,240)	69,240	-	-	-	-	-
<b>TOTAL OPERATING COSTS</b>	<b>498,344</b>	<b>307,177</b>	<b>805,521</b>	<b>84,146</b>	<b>27,826</b>	<b>917,493</b>	<b>1,737,389</b>
<b>TOTAL 2012 FUNCTIONAL EXPENSES</b>	<b>\$ 2,920,529</b>	<b>\$ 740,151</b>	<b>\$ 3,660,680</b>	<b>\$ 503,174</b>	<b>\$ 114,459</b>	<b>\$ 4,278,313</b>	
<b>TOTAL 2011 FUNCTIONAL EXPENSES</b>	<b>\$ 3,616,898</b>	<b>\$ 523,213</b>	<b>\$ 4,140,111</b>	<b>\$ 575,275</b>	<b>\$ 110,727</b>		<b>\$ 4,826,113</b>

The Accompanying Notes are an Integral Part of These Financial Statements

**NATIONAL IMMIGRATION LAW CENTER**

**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2012

With Summarized Totals for the Year Ended June 30, 2011

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 701,774	\$ (1,499,579)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	23,619	29,125
Realized and Unrealized (Gain) Loss	(1,286)	3,716
(Increase) Decrease in:		
Grants Receivable	(870,751)	1,574,605
Prepaid Expenses and Other Assets	16,241	(6,001)
Increase (Decrease) in:		
Accounts Payable	(390,901)	370,575
Accrued Liabilities	(11,404)	(57,998)
	(532,708)	414,443
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Investments	(400,000)	(248,933)
Purchase of Property and Equipment	(8,641)	(24,018)
Proceeds from Sale of Investments	-	182,204
	(408,641)	(90,747)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(941,349)	323,696
Cash and Cash Equivalents - Beginning of Year	2,894,729	2,571,033
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,953,380	\$ 2,894,729

The Accompanying Notes are an Integral Part of These Financial Statements

# **NATIONAL IMMIGRATION LAW CENTER**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

### **NOTE 1 - NATURE OF ORGANIZATION**

- **MISSION AND HISTORY**

The National Immigration Law Center (NILC) is the only national legal advocacy organization in the United States exclusively dedicated to defending and advancing the rights of low-income immigrants and their families. Policymakers, community organizers, legal advocates, and the media recognize NILC staff as experts on a wide range of issues that affect the lives of immigrants in the U.S., and frequently call upon NILC to explain the real-life impact of immigration-related laws and policies. Through innovative policy and legal advocacy strategies, NILC has won landmark decisions protecting fundamental due process and civil rights, warded off policy changes that would have led to devastating consequences for marginalized members of society, and advanced major progressive policies that promote the well-being of all communities.

Due to NILC's focus on the needs and concerns of low-income immigrants, NILC brings unique expertise and a particular focus on racial and economic justice issues that distinguishes NILC from other national immigrants' rights organizations. Being grounded in California also enables NILC to play a unique role among the various national organizations that work in support of immigrants' rights. Because NILC is a national organization with a "beyond-the-beltway" perspective, a broad range of local, state and national groups see NILC as a trustworthy, reliable partner that is committed to helping critical constituencies voice their perspectives on policies and proposals that impact immigrants' lives.

- **ORGANIZATIONAL GOALS AND STRATEGIES**

NILC envisions a U.S. society in which all people - regardless of their race, gender, immigration or economic status - are treated equally, fairly, and humanely, have equal access to justice, education, government resources and economic opportunities, and are able to achieve their full potential as human beings. To realize NILC's mission and vision, our work focuses on key issues affecting low-income immigrants: expanding immigrants' access to public benefits and safety net programs, health care, and legal status; countering draconian immigration enforcement; and advancing workers' rights. These program priorities align closely with the Ford Foundation's overarching goals to advance the rights of immigrants and ensure that they are fully integrated into U.S. society.

NILC uses multiple strategies to advance social change for low-income immigrant families. This includes conducting law reform and impact litigation, researching and analyzing policies affecting immigrants, developing and advocating policy improvements, providing legal advice and strategic support for organizing and advocacy campaigns, educating the public through trainings and publications, and employing strategic communications based on common public values and local communities' realities. This use of multiple and integrated strategies is a unique feature of NILC's work, and many state and local partners rely on NILC's ability to tackle issues utilizing these various tactics and approaches. The deep understanding of practical legal issues that NILC gains through litigation, support to the field, and in-depth strategic technical assistance contributes to NILC's ability to analyze legislative and administrative policy proposals and advocate for improvements. NILC's ability to pursue both policy advocacy and litigation challenges also allows great flexibility in fulfilling NILC's mission.



# NATIONAL IMMIGRATION LAW CENTER

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 1 - NATURE OF ORGANIZATION (continued)

- **ORGANIZATIONAL GOALS AND STRATEGIES (continued)**

NILC has developed strong connections and working relationships with national allies as well as advocates in states and localities across the country. All of these alliances and relationships helped inform, shape, and advance NILC's work.

- **QUALIFICATIONS, REPUTATION AND LEADERSHIP ROLE**

NILC staff members have decades of experience in our core issue areas, especially in terms of public benefit rules and regulations (including health care), employment and labor law, and due process and constitutional rights. Many NILC attorneys have extensive experience in litigating immigration-related and civil rights cases. Others have deep knowledge of public policy issues affecting immigrants, as well as policymaking procedures and processes. Having staff members who understand both the policy and legal implications of a wide range of issues is one of NILC's great strengths. Finally, many of NILC's staff have dedicated their careers to supporting community-based advocacy groups, service providers, and organizing initiatives, which shapes and informs NILC's community outreach and education efforts.

Given the country's demographic shifts and the current challenges faced by NILC's core constituency, NILC's committed to cultivating alliances with the broader progressive community to create a society in which everyone is treated fairly and equitably and has opportunities to prosper, and that allows low-income immigrants to be integrated as full members and participants. To this end, NILC works closely with a broad range of immigrants' rights advocates, anti-poverty groups, organizing networks, worker advocates and organizers, labor unions, civil rights and civil liberties advocates, and public interest legal organizations to help low-income immigrant families build power in their local communities.

For many years, the United We Dream Network (UWD) has been an integral part of NILC and its work to ensure broad access to legal status for low-income immigrants. NILC was a co-convenor of a coalition that was the precursor to UWD, providing strategic and legal guidance to national coalition members, and supporting their organizing and advocacy efforts. In December 2008, the coalition formalized and became the UWD; NILC has served as the fiscal sponsor for the network since its inception. NILC's fiscal sponsorship extends beyond playing a critical grants and financial management support role. NILC also provides in-depth support to the network on organizational development and fundraising issues, and has organized trainings for UWD board, staff, and leadership on NILC's areas of expertise to help the network broaden their advocacy and organizing capacity to focus on a wider range of immigrants' rights issues. UWD, in turn, has fueled and accelerated the advocacy efforts of NILC (and other national advocacy groups) through its innovative mobilization and organizing strategies.

# NATIONAL IMMIGRATION LAW CENTER

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) BASIS OF PRESENTATION

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

#### (b) FINANCIAL STATEMENT PRESENTATION

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of NILC are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted-Undesignated.** These generally result from revenues generated by receiving unrestricted contributions, providing services and receiving income from investments less expenses incurred in providing program-related services, raising contributions and performing administrative functions. NILC has unrestricted undesignated net assets of \$340,207 at June 30, 2012.
- **Unrestricted-Board Designated.** These are comprised of resources which the Board of Directors have designated for particular purposes. For purposes of complying with net asset accounting, these funds totaled \$1,541,207 at June 30, 2012 and are included in unrestricted net assets.
- **Temporarily Restricted Net Assets.** NILC reports grants and gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. NILC has \$2,046,719 of temporarily restricted net assets at June 30, 2012.
- **Permanently Restricted Net Assets.** These assets are received from donors who stipulate that resources are to be maintained permanently, but permit NILC to expend all of the income (or other economic benefits) derived from the donated assets. NILC has no permanently restricted net assets at June 30, 2012.

#### (c) CASH AND CASH EQUIVALENTS

NILC has defined cash and cash equivalents as cash in banks, money market funds and certificates of deposit with original maturities of three months or less. The carrying value of cash and cash equivalents approximates its fair value at June 30, 2012.

Cash and cash equivalents may exceed federally insured limits. NILC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents as of June 30, 2012.

# NATIONAL IMMIGRATION LAW CENTER

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(c) CASH AND CASH EQUIVALENTS (continued)**

NILC maintains a separate cash and investment account for its Reserve Fund. The balance in this fund totaled \$1,741,207 as of June 30, 2012.

**(d) INVESTMENTS**

Investments in certificates of deposit are reported at fair value. Interest income and gains and losses on investments are reflected in the statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulations or law.

**(e) GRANTS RECEIVABLE AND CONTRIBUTIONS**

Unconditional contributions, including grants and pledges recorded at fair value, are recognized as revenues in the period received. NILC reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated asset.

**(f) CONCENTRATION OF CREDIT RISK**

NILC's revenues mainly consist of grants from foundations and other funding sources. During the year ended June 30, 2012, grant revenues from two foundations accounted for 38% of NILC's total revenue. Grants receivable from these foundations as of June 30, 2012 represented 47% of the total grants receivable.

**(g) PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets.

Expenditures for repairs and maintenance are charged to operations when incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five hundred dollars and the useful life is greater than one year. Upon sale or disposal of equipment, the cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations.

**(h) LONG-LIVED ASSETS**

NILC reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No such impairment losses were recognized on long-lived assets during the year ended June 30, 2012.

# NATIONAL IMMIGRATION LAW CENTER

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**(i) INCOME TAXES**

NILC has been granted exemption from income tax under Section 501(c)(3) of the Internal Revenue Code and the corresponding California Provisions.

**(j) CONTRIBUTED SERVICES**

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair values in the period received. Some unpaid volunteers have made contributions of their time to NILC. However, the value of these services is not reflected in these financial statements because the criteria for recognition have not been satisfied.

**(k) FUNCTIONAL ALLOCATION OF EXPENSES**

Costs of providing NILC's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are allocated among program and support services by a method that best measures the relative degree of benefit. NILC uses salary dollars to allocate indirect costs.

**(l) USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**(m) COMPARATIVE TOTALS**

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information could be read in conjunction with NILC's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

**(n) RECLASSIFICATION**

For comparability, the June 30, 2011 amounts have been reclassified, where appropriate, to conform with the financial statement presentation used at June 30, 2012.

**(o) SUBSEQUENT EVENTS**

NILC has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2012 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through November 27, 2012, the date these financial statements were available to be issued.

**NATIONAL IMMIGRATION LAW CENTER**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 3 - INVESTMENTS**

NILC implemented a fair value measurement accounting standard which defines fair value for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs use unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

The following table presents information about NILC's assets that are measured at fair value on a recurring basis at June 30, 2012 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Fair Value Measurements Using			
	Year Ended June 30, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 774,315	\$ -	\$ 774,315	\$ -

The fair values of certificates of deposit determined by Level 2 inputs were valued utilizing observable data points such as interest rates and yield curves at June 30, 2012.

Investments in certificates of deposit at June 30, 2012 will mature as follows:

**Years Ending June 30**

2013	\$ 675,626
2014	49,954
2015	48,735
<b>TOTAL</b>	<u><u>\$ 774,315</u></u>

Investment income consists of interest income of \$7,241 and realized and unrealized gains of \$1,286 for the year ended June 30, 2012.

# NATIONAL IMMIGRATION LAW CENTER

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

### NOTE 4 - GRANTS RECEIVABLE

Grants receivable consists of the following at June 30, 2012:

Due within One Year	\$ 1,041,340
Due Between One and Five Years	<u>300,000</u>
<b>TOTAL</b>	<b><u>\$ 1,341,340</u></b>

### NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2012:

Furniture and Fixtures	\$ 142,485
Library	<u>1,000</u>
<b>TOTAL</b>	<b>143,485</b>
Less: Accumulated Depreciation	<u>(91,966)</u>
<b>PROPERTY AND EQUIPMENT (NET)</b>	<b><u>\$ 51,519</u></b>

Depreciation expense for the year ended June 30, 2012 was \$23,619.

### NOTE 6 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2012 consist of the following:

Accrued Vacation	\$ 149,647
Deferred Rent	54,866
Other Accruals	<u>5,983</u>
<b>TOTAL ACCRUED LIABILITIES</b>	<b><u>\$ 210,496</u></b>

### NOTE 7 - GRANT FROM GOVERNMENT AGENCY

Grant from government agency for the year ended June 30, 2012 consists of a \$16,500 grant from the United States Department of Justice, Office of Special Counsel for Anti-Discrimination Outreach Public Education Campaign.

**NATIONAL IMMIGRATION LAW CENTER**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**(a) OBLIGATIONS UNDER OPERATING LEASES**

NILC leases various facilities and equipment under operating leases with various terms. Future minimum payments, by year, and in aggregate, under these leases with initial or remaining terms of one year or more consist of the following:

<b>Years Ending June 30</b>	
2013	\$ 230,478
2014	237,947
2015	237,719
2016	144,210
2017	123,428
<b>TOTAL</b>	<b>\$ 973,782</b>

Rent expense under operating leases for the year ended June 30, 2012 was \$236,235 less sublease income of \$1,164 for a net rent expense of \$235,071. Subleases are on a month to month basis.

**(b) CONTRACTS**

NILC's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, NILC has no provisions for the possible disallowance of program costs on its financial statements.

**(c) LITIGATION**

In the ordinary course of doing business, NILC, from time to time, becomes involved in various lawsuits. Some of these proceedings may result in judgments being assessed against NILC which may have an impact on changes in net assets. NILC does not believe that these proceedings, individually or in the aggregate, would have a material effect on the accompanying financial statements.

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes at June 30, 2012:

Programs	\$ 1,146,598
UWDN	250,510
Time Restricted	649,611
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	<b>\$ 2,046,719</b>

**NATIONAL IMMIGRATION LAW CENTER**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2012

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS** (continued)

Net assets released from restrictions during the year ended June 30, 2012 were as follows:

Programs	\$ 841,842
UWDN	664,772
Time Restricted	<u>359,476</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b><u>\$ 1,866,090</u></b>

**NOTE 10 - FISCAL SPONSORSHIPS**

Effective July 1, 2010, NILC entered into a formal agreement to sponsor the United We Dream Network (UWDN), which had been a project of NILC up to that point. UWDN is seeking tax exemption under the Internal Revenue Code Section 501(c)(3). UWDN's purpose is to build a national immigrant youth-led organization to achieve access to legal status and equal access to higher education for all youth in the United States. Grants amounting to \$666,624 that were received on behalf of UWDN have been included as grant revenue in the current year. Related grants receivable as of June 30, 2012 amounted to \$106,424.

For the performance of its fiscal sponsor services described in the fiscal sponsor agreement, NILC is to be reimbursed for administrative and overhead costs at 15% of UWDN's funds. A management fee of \$69,240 was charged to UWDN by NILC for the year ended June 30, 2012.

**NOTE 11 - PENSION PLAN**

NILC has a tax deferred annuity retirement plan under Internal Revenue Code (IRC) Section 403(b). The plan covers all eligible employees of NILC. Participants may elect to defer 20% of their salary, depending on years of service and subject to the maximum exclusion determined by the IRC. NILC makes employer contributions of 2% of qualifying wages for employees with at least two years of continuous service. NILC contributed \$29,644 to the Plan for the year ended June 30, 2012.