



FEDERATION FOR AMERICAN  
IMMIGRATION REFORM

**FEDERATION FOR AMERICAN  
IMMIGRATION REFORM AND AFFILIATES**

**Consolidated Financial Statements and  
Supplemental Information**

*For the Year Ended December 31, 2017  
(With Summarized Financial Information for the Year Ended December 31, 2016)*

—◆—  
**and**  
**Report Thereon**  
—◆—

**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

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**For the Year Ended December 31, 2017**

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*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Federation for American Immigration Reform  
and Affiliates

We have audited the accompanying consolidated financial statements of the Federation for American Immigration Reform (FAIR) and Affiliates (collectively referred to as FAIR and Affiliates), which comprise the consolidated statement of financial position as of December 31, 2017, 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.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Federation for American Immigration Reform and Affiliates as of December 31, 2017, 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.



## **Other Matters**

### *Report on Summarized Comparative Information*

We have previously audited FAIR and Affiliates' 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### *Report on Consolidating Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 19 and 20 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and it 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.

*Raffa P.C.*

**Raffa, P.C.**

Washington, DC  
May 15, 2018

**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**December 31, 2017**

**(With Summarized Financial Information as of December 31, 2016)**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 8,602,170	\$ 5,899,072
Grant receivable, current portion	1,500,000	12,500
Prepaid expenses	<u>5,592</u>	<u>24,160</u>
Total Current Assets	10,107,762	5,935,732
Grant receivable, net of current portion	11,719,299	-
Investments	19,079,099	9,507,415
Property and equipment, net	950,523	263,055
Artwork collections	15,000	15,000
Other assets	413,377	63,353
Security deposits	<u>38,611</u>	<u>38,611</u>
TOTAL ASSETS	<u>\$ 42,323,671</u>	<u>\$ 15,823,166</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 482,248	\$ 229,046
Deferred rent and lease incentive liabilities, current portion	<u>85,605</u>	<u>175,293</u>
Total Current Liabilities	567,853	404,339
Deferred rent and lease incentive liabilities, net of current portion	<u>1,355,468</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,923,321</u>	<u>404,339</u>
Net Assets		
Unrestricted		
Undesignated	12,166,972	2,271,846
Board-designated		
Reserve	5,205,662	3,010,554
Quasi-endowment fund	<u>4,974,963</u>	<u>4,364,914</u>
Total Unrestricted	22,337,597	9,647,314
Temporarily restricted	15,531,429	3,240,189
Permanently restricted	<u>2,531,324</u>	<u>2,531,324</u>
TOTAL NET ASSETS	<u>40,400,350</u>	<u>15,418,827</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 42,323,671</u>	<u>\$ 15,823,166</u>

The accompanying notes are an integral part of these consolidated financial statements.



**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2017**  
**(With Summarized Financial Information for the Year Ended December 31, 2016)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2017 Total	2016 Total
<b>OPERATING REVENUE AND SUPPORT</b>					
Grants	\$ 17,486,262	\$ 14,507,299	\$ -	\$ 31,993,561	\$ 11,417,643
Investment income	609,179	214,106	-	823,285	362,677
Contributions and bequests	719,904	-	-	719,904	720,310
Online marketing	104,025	-	-	104,025	66,252
Royalty income	13,916	-	-	13,916	15,516
Other income	118,930	-	-	118,930	40,450
Net assets released from restrictions:					
Satisfaction of program restrictions	2,752,316	(2,752,316)	-	-	-
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>21,804,532</b>	<b>11,969,089</b>	<b>-</b>	<b>33,773,621</b>	<b>12,622,848</b>
<b>EXPENSES</b>					
Program Services:					
Media	3,486,750	-	-	3,486,750	6,345,555
Immigration Reform Law Institute (IRLI)	1,508,918	-	-	1,508,918	928,799
Public education	1,090,928	-	-	1,090,928	954,682
Government relations	971,294	-	-	971,294	1,096,492
Field	538,122	-	-	538,122	535,151
Research and publications	446,326	-	-	446,326	405,948
Membership education and service	352,983	-	-	352,983	375,093
Lobbying	299,521	-	-	299,521	171,035
Public interest legal	40,226	-	-	40,226	45,477
FAIR Congressional Task Force (FCTF)	4,810	-	-	4,810	4,226
<b>Total Program Services</b>	<b>8,739,878</b>	<b>-</b>	<b>-</b>	<b>8,739,878</b>	<b>10,862,458</b>
Supporting Services:					
Management and general	1,058,053	-	-	1,058,053	971,193
Fundraising	367,053	-	-	367,053	427,385
<b>Total Supporting Services</b>	<b>1,425,106</b>	<b>-</b>	<b>-</b>	<b>1,425,106</b>	<b>1,398,578</b>
<b>TOTAL EXPENSES</b>	<b>10,164,984</b>	<b>-</b>	<b>-</b>	<b>10,164,984</b>	<b>12,261,036</b>
Change in net assets before unrealized gain (loss) on investments	11,639,548	11,969,089	-	23,608,637	361,812
<b>NONOPERATING GAIN (LOSS)</b>					
Unrealized gain (loss) on investments	1,050,735	322,151	-	1,372,886	(333,465)
<b>CHANGE IN NET ASSETS</b>	<b>12,690,283</b>	<b>12,291,240</b>	<b>-</b>	<b>24,981,523</b>	<b>28,347</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>9,647,314</b>	<b>3,240,189</b>	<b>2,531,324</b>	<b>15,418,827</b>	<b>15,390,480</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 22,337,597</b>	<b>\$ 15,531,429</b>	<b>\$ 2,531,324</b>	<b>40,400,350</b>	<b>\$ 15,418,827</b>

The accompanying notes are an integral part of these consolidated financial statements.

**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2017**  
**(With Summarized Financial Information for the Year Ended December 31, 2016)**

	Program Services										Supporting Services				2016 Total
	Media	IRLI	Public Education	Government Relations	Field	Research and Publications	Membership Education and Service	Lobbying	Public Interest Legal	FCTF	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 366,746	\$ 871,492	\$ 427,131	\$ 564,931	\$ 278,466	\$ 258,318	\$ 81,538	\$ 40,883	\$ 27,179	\$ -	\$ 2,916,684	\$ 559,157	\$ 170,168	\$ 729,325	\$ 3,058,087
Media advertising	2,634,044	5,550	36,519	-	-	-	-	18,743	-	-	2,694,856	-	-	-	5,601,525
Employee benefits and payroll taxes	89,914	178,226	103,821	138,371	68,114	63,536	19,993	10,221	6,664	-	679,860	135,606	41,902	177,508	748,014
Rent	39,482	110,350	73,925	74,051	39,912	29,027	17,546	3,628	1,126	-	389,047	75,603	18,142	93,745	559,026
Printing and handling	6,244	10,275	163,349	1,980	1,037	13,742	50,535	77,348	-	-	324,220	1,559	51,854	53,413	337,127
Postage and delivery	2,021	1,250	112,177	2,148	1,273	894	48,342	61,456	18	-	229,579	2,154	34,541	36,695	242,674
Travel and entertainment	70,486	20,122	3,297	17,724	84,924	882	928	59	36	-	198,358	46,732	6,059	52,791	175,704
Meetings	185,017	-	40	2,030	20	14	8	2	-	-	187,131	43,980	9	43,989	208,875
Legal fees	-	196,920	-	-	-	-	-	-	-	-	196,920	7,032	-	7,032	203,952
Computer services	20,216	4,340	35,945	27,667	14,757	10,732	28,088	1,502	590	-	143,827	25,368	6,708	32,077	134,241
Publications and subscriptions	21,026	24,655	14,861	58,108	5,522	4,016	2,088	2,752	2,797	-	135,825	10,322	2,510	12,832	76,656
Depreciation and amortization	14,922	2,237	29,393	27,737	15,314	11,138	5,854	1,392	333	-	106,320	26,177	6,961	33,136	134,387
Taxes and insurance	7,275	36,811	10,657	15,109	7,253	5,275	3,324	659	631	-	86,984	42,228	3,297	45,525	284,442
Consulting fees and part-time help	7,180	9,775	2,956	2,202	1,057	34,501	311	60,178	104	-	118,264	12,212	663	12,875	235,558
Telephone and utilities	5,958	24,691	8,995	11,839	6,912	4,389	2,579	592	451	2,567	68,973	12,441	2,891	15,332	169,074
Direct mail list rental	-	-	39,844	-	-	-	-	18,873	-	-	58,717	-	11,184	11,184	69,596
Database management	-	-	457	-	-	-	64,165	-	-	-	64,622	-	-	-	78,017
Accounting fees	5,560	2,742	11,210	10,280	5,744	4,178	2,149	522	99	2,243	44,727	16,291	2,611	18,902	63,629
Bank fees	3,348	699	6,466	6,268	3,424	2,490	1,324	311	92	-	24,422	5,846	1,556	7,402	31,824
Office expenses	2,666	1,478	6,643	5,044	2,713	1,973	1,085	247	71	-	21,920	5,813	1,233	7,046	27,624
Caging	-	-	-	-	-	-	22,600	-	-	-	22,600	-	-	-	22,600
Equipment rental and maintenance	4,102	-	2,158	1,991	1,109	806	422	101	19	-	10,708	5,377	504	5,881	14,927
Membership dues	-	5,462	-	1,435	-	-	-	-	-	-	6,897	4,895	4,000	8,895	12,548
Honoraria	-	-	-	1,935	-	-	-	-	-	-	-	15,000	-	15,000	15,000
Employee education and training	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants to other organizations	543	1,843	1,084	1,669	571	415	204	52	26	-	6,407	4,259	260	4,519	15,767
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	250
TOTAL EXPENSES	\$ 3,486,750	\$ 1,508,918	\$ 1,090,928	\$ 971,294	\$ 538,122	\$ 446,326	\$ 352,983	\$ 299,521	\$ 40,226	\$ 4,810	\$ 8,739,878	\$ 1,055,053	\$ 367,053	\$ 1,425,106	\$ 12,261,036

The accompanying notes are an integral part of these consolidated financial statements.



**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2017**

**(With Summarized Financial Information for the Year Ended December 31, 2016)**

**Increase (Decrease) in Cash and Cash Equivalents**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 24,981,523	\$ 28,347
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized gains on sales of investments	(544,176)	(150,816)
Unrealized gains on investments	(1,372,886)	333,465
Depreciation and amortization	141,458	134,387
Change in present value related to multiyear grants receivable	280,701	-
Changes in assets and liabilities:		
Grants receivable	(13,487,500)	(8,162)
Prepaid expenses	18,568	454,186
Other assets	(104,251)	(5,428)
Accounts payable and accrued expenses	253,202	46,286
Deferred rent and lease incentive liabilities	<u>331,168</u>	<u>(157,483)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>10,497,807</u>	<u>674,782</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	15,072,126	16,008,063
Purchases of investments	(22,726,747)	(16,610,805)
Purchases of furniture and equipment	<u>(140,088)</u>	<u>(24,692)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(7,794,709)</u>	<u>(627,434)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,703,098	47,348
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>5,899,072</u>	<u>5,851,724</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 8,602,170</u></u>	<u><u>\$ 5,899,072</u></u>
<b>SUPPLEMENTAL INFORMATION</b>		
<b>NONCASH INVESTING ACTIVITIES</b>		
Increase in property and equipment for improvement allowance	\$ 1,039,780	\$ -
Increase in deferred lease incentives	<u>(1,039,780)</u>	<u>-</u>
	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these consolidated financial statements.



# **FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017**

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### **1. Organization and Summary of Significant Accounting Policies**

#### **Organization**

The Federation for American Immigration Reform (FAIR) is a District of Columbia nonprofit public interest organization working to end illegal immigration and set reasonable levels of legal immigration. FAIR funds its activities primarily through grants and contributions.

The FAIR Congressional Task Force, Inc. (FCTF) is a nonprofit organization incorporated under the laws of the District of Columbia in 1982. FCTF was organized exclusively to serve public, social and economic welfare by developing and promoting immigration policies that are consistent with the economic, social and demographic interests of the United States of America; to restrict illegal immigration into the United States of America; and to limit legal admissions into the United States of America to reasonable levels. FCTF funds its activities primarily through grants and contributions.

The Immigration Reform Law Institute (IRLI) is a District of Columbia nonprofit public charity organized to run FAIR's legal program. IRLI funds its activities primarily through grants and contributions.

#### **Principles of Consolidation**

The accompanying consolidated financial statements include the account balances and transactions of FAIR, FCTF and IRLI (collectively referred to as FAIR and Affiliates). FAIR's, FCTF's and IRLI's financial statements have been consolidated due to the presence of common control and economic interest, as required under accounting principles generally accepted in the United States of America (GAAP). All significant intercompany balances and transactions have been eliminated in consolidation.

#### **Cash and Cash Equivalents**

FAIR and Affiliates considers all checking accounts, demand deposits and money market accounts to be cash and cash equivalents.

#### **Investments**

Investments are recorded in the accompanying consolidated financial statements at fair value and consist of mutual and exchange-traded funds, fixed-income securities and common stocks. 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.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Unrealized gains or losses are determined by a comparison of the fair value at the beginning and end of the reporting period.

#### **Fair Value Measurement**

Accounting standards define fair value and establish a framework for measuring fair value for those assets and liabilities that are measured at fair value on a recurring basis. In accordance with the fair value measurement standards, FAIR and Affiliates has categorized its



# FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 1. Organization and Summary of Significant Accounting Policies (continued)

#### **Fair Value Measurement (continued)**

applicable financial instruments into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the fair value hierarchy, the categorization is based upon the lowest-level input that is significant to the fair value measurement of the instrument. The applicable financial assets and liabilities are categorized below based on the inputs to the valuation techniques as follows:

*Level 1* – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

*Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

*Level 3* – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

As of and for the year ended December 31, 2017, only FAIR and Affiliate's investments, as described in Note 4 of these consolidated financial statements, were measured at fair value on a recurring basis.

#### **Property and Equipment and Related Depreciation and Amortization**

Property and equipment consist of office furniture and equipment, leasehold improvements and website costs and are recorded at cost. Office furniture and equipment are depreciated over their estimated useful lives of five years using the straight-line method. Website costs are amortized over their estimated useful lives of five years using the straight-line method. Leasehold improvements are amortized over the lesser of the remaining office lease term or the estimated useful lives of the improvements. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance costs are expensed when incurred. Upon the retirement or disposal of the assets, the cost and accumulated depreciation or amortization are eliminated from the respective accounts, and the resulting gain or loss is included in operating revenue and support or expenses in the accompanying consolidated statement of activities.

#### **Net Assets**

FAIR and Affiliates' net assets are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of FAIR and Affiliates' operations as follows:

*Undesignated net assets* – represent resources that are to be used for the general operations of FAIR and Affiliates.

Continued



# FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 1. Organization and Summary of Significant Accounting Policies (continued)

#### **Net Assets (continued)**

*Board-designated reserves* – represent unrestricted donor contributions that have been restricted by the Board as operating reserves and can only be expended by action of the Board of Directors.

*Board-designated quasi-endowment* – represents an endowment fund established by the Board of Directors for all unrestricted donor bequests contributed to FAIR and Affiliates. Investment income earned by this fund is reinvested within the fund.

- Temporarily restricted represents net assets that have resulted from contributions and other unconditional promises to give in which the use of the funds is limited by donor-imposed stipulations that expire with either the passage of time or fulfillment of the purpose restriction.
- Permanently restricted represents net assets that have resulted from contributions in which the use of the funds is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by FAIR and Affiliates' actions.

#### **Revenue Recognition**

FAIR and Affiliates recognizes revenue from grants, contributions and bequests in the year in which the promise to give becomes unconditional. Grants and contributions are recorded as temporarily restricted support if those grants and contributions are received with donor or grantor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met (i.e., funds are spent or released based on spending policy), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

#### **Definition of Operations**

Income from investments, including realized gains and losses on investment transactions, is considered to be revenue generated from operations. Unrealized gains or losses recognized from the change in the fair value of investments are not considered to be from operations until such time as those gains or losses are realized through investment sale transactions.

#### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services in proportion to the amount of time spent on a particular program to the total time spent by all employees.

#### **Estimates**

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



# FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 2. Grants Receivable

As of December 31 2017, grants receivable were expected to be collected as follows:

Due in less than 1 year	\$ 1,500,000
Due in 1 to 5 years	<u>12,000,000</u>
Total Grants Receivable	13,500,000
Less: Discount to present value (2.4%)	<u>(280,701)</u>
Grants Receivable, Net	<u>\$ 13,219,299</u>

All amounts were deemed to be fully collectible as of December 31, 2017.

FAIR and Affiliates was named a residual beneficiary of a foundation that was established by a donor bequest. Distribution of the residual contribution is contingent on the termination of the foundation and is subject to the discretion of the Trustees of the Foundation. Based on communications with the estate during the year, FAIR and Affiliates is estimated to receive approximately \$4,760,000 during the year ended December 31, 2018. The related revenue will be recognized upon notification of the Trustee's approval of the final distributions from, and termination of, the foundation, which is expected to occur in late May 2018.

### 3. Investments

Investments, at fair value, consisted of the following at December 31, 2017:

Common stocks	\$ 7,665,711
Mutual and exchange-traded funds	3,321,943
Fixed-income securities	<u>8,091,445</u>
Total Investments	<u>\$ 19,079,099</u>

For the year ended December 31, 2017, investment income consisted of the following:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 226,229	\$ 52,880	\$ 279,109
Realized gains	<u>382,950</u>	<u>161,226</u>	<u>544,176</u>
Total Investment Income	609,179	214,106	823,285
Unrealized gains	<u>1,050,735</u>	<u>322,151</u>	<u>1,372,886</u>
Total	<u>\$ 1,659,914</u>	<u>\$ 536,257</u>	<u>\$ 2,196,171</u>

Included in interest and dividends above are interest earned on cash and cash equivalents of \$41,280 and \$44,457 of investment expense incurred during the year ended December 31, 2017.



# FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

### 4. Fair Value Measurement

The following table summarizes FAIR and Affiliates' assets measured at fair value on a recurring basis as of December 31, 2017:

	Total Fair Value	Quoted Prices In Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Investments:				
Common stocks:				
Information technology	\$ 1,643,900	\$ 1,643,900	\$ -	\$ -
Healthcare sector	1,172,759	1,172,759	-	-
Financials	1,145,046	1,145,046	-	-
Utilities	847,584	847,584	-	-
Materials	630,082	630,082	-	-
Industry sector	583,375	583,375	-	-
Consumer discretionary	578,277	578,277	-	-
Telecommunications	523,993	523,993	-	-
Energy	287,570	287,570	-	-
Consumer staples	253,125	253,125	-	-
Total Common Stocks	<u>7,665,711</u>	<u>7,665,711</u>	<u>-</u>	<u>-</u>
Fixed-income securities:				
Corporate bonds	<u>8,091,445</u>	<u>-</u>	<u>8,091,445</u>	<u>-</u>
Total Fixed-Income Securities	<u>8,091,445</u>	<u>-</u>	<u>8,091,445</u>	<u>-</u>
Mutual and exchange-traded funds:				
Fixed-income:				
US Treasury Bond	152,758	152,758	-	-
Other	21,652	21,652	-	-
Alternatives	775,074	775,074	-	-
Equities:				
Large blend	961,875	961,875	-	-
Large value	601,872	601,872	-	-
Foreign large blend	493,468	493,468	-	-
Emerging markets	127,962	127,962	-	-
Large growth	114,386	114,386	-	-
Medium growth	32,803	32,803	-	-
Medium value	24,164	24,164	-	-
Small value	<u>15,929</u>	<u>15,929</u>	<u>-</u>	<u>-</u>
Total Mutual and Exchange-Traded Funds	<u>3,321,943</u>	<u>3,321,943</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,079,099</u>	<u>\$ 10,987,654</u>	<u>\$ 8,091,445</u>	<u>\$ -</u>

Continued



# FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 4. Fair Value Measurement (continued)

FAIR and Affiliates used the following methods and significant assumptions to estimate fair value for assets and liabilities recorded at fair value:

*Common stocks* – Valued at the closing price reported in the active market in which the individual stocks are traded.

*Fixed-income securities* – Valued based on current yields, the securities' terms and conditions, and market activity. Information used includes market sources, credit information, observed market movement and sector news.

*Mutual and exchange-traded funds* – Valued at net asset value at the closing price reported in the active market in which the mutual and exchange-traded funds are traded.

### 5. Property and Equipment and Accumulated Depreciation and Amortization

FAIR and Affiliates held the following property and equipment as of December 31, 2017:

Leasehold improvements	\$ 1,855,477
Office furniture and equipment	280,375
Website costs	<u>113,104</u>
Total Property and Equipment	2,248,956
Less: Accumulated Depreciation and Amortization	<u>(1,298,433)</u>
Property and Equipment, Net	<u>\$ 950,523</u>

For the year ended December 31, 2017, depreciation and amortization expense totaled \$141,458.

### 6. Commitments and Risks

#### Office Lease

FAIR leases office space under a noncancelable operating lease for its Washington, D.C., office. On March 22, 2017, FAIR amended its existing office space lease, extending the lease term by 11 years with a new expiration date of December 2028. The lease agreement contains a fixed escalation clause for increases in the annual minimum rent at a rate of 2.5% per year along with certain incentives consisting of rent abatements and improvement allowances. FAIR will also be required to pay for its proportionate share of operating expenses and real estate taxes. As of December 31, 2017, the unused improvement allowance totaled approximately \$360,000 and is included in other assets in the accompanying consolidated statement of financial position.

Under GAAP, all lease incentives and fixed rent increases are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and lease incentive liabilities in the accompanying consolidated statement of financial position.

Continued



**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

6. Commitments and Risks (continued)

**Office Lease (continued)**

The total future minimum rental payments required under the lease agreement are as follows:

For the Year Ending December 31,	
2018	\$ 288,436
2019	593,863
2020	608,568
2021	623,868
2022	639,465
Thereafter	4,186,748
Total	<u>\$ 6,940,948</u>

Rent expense totaled \$482,792 for the year ended December 31, 2017, and is included in the accompanying consolidated statement of functional expenses.

**Concentration of Risk**

***Concentration of Credit Risk***

FAIR and Affiliates maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balances may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2017, FAIR and Affiliates had approximately \$8,639,000 composed of demand deposits, which exceeded the maximum limit insured by the FDIC by approximately \$7,825,000. FAIR and Affiliates monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

FAIR and Affiliates also invests in various investment securities that are exposed to various risks, including market, interest rate and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

***Concentration of Revenue***

During the year ended December 31, 2017, FAIR and Affiliates received \$31,328,674 in grants and contributions from five donors. Grants and contributions from the five donors represented approximately 93% of the total operating revenue and support recognized by FAIR and Affiliates for the year ended December 31, 2017. If a significant reduction in funding from these grantors were to occur, it might adversely impact FAIR and Affiliates' financial position and ability to carry out its program activities.



**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

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**7. Board-Designated Reserve**

The Boards of Directors of FAIR and IRLI have adopted resolutions to designate certain net assets as reserve funds. These funds can be drawn upon to fund FAIR's and IRLI's operations in time of need, as approved by the Boards of Directors. In accordance with these resolutions, FAIR and IRLI transfer funds from general operations to the board-designated reserve fund in an amount equal to 5% of all unrestricted contributions that are greater than \$50,000 and \$20,000, respectively. All investment income accumulates in the funds. FAIR's and IRLI's board-designated reserve net asset balances totaled \$4,411,157 and \$794,505, respectively, as of December 31, 2017.

FAIR's Board of Directors has authorized a \$100,000 revolving line of credit against the board-designated reserve funds that is intended to allow FAIR's management to bridge shortfalls in operating revenue without the Board of Directors' approval. Any borrowings from the reserve fund in excess of \$100,000 require approval from FAIR's Board of Directors. There were no borrowings or repayments during the year ended December 31, 2017, and there was no outstanding balance as of December 31, 2017.

**8. Temporarily Restricted Net Assets**

Temporarily restricted net assets that remained as of December 31, 2017, were available for the following programs or purposes:

Public education	\$ 1,084,120
Immigration policy	93,033
Swensrud Memorial Internship program	<u>140,160</u>
Total Program-Restricted	1,317,313
General operating support for future periods	13,219,299
Time-restricted for board appropriation	<u>994,817</u>
Total Temporarily Restricted Net Assets	<u>\$ 15,531,429</u>

**9. Endowment Funds**

FAIR's Board of Directors has interpreted the District of Columbia's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, FAIR classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are



## FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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#### 9. Endowment Funds (continued)

appropriated for expenditure by FAIR in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, FAIR considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- The purposes of FAIR and the donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of FAIR.
- The investment policies of FAIR.

#### **Return Objectives and Risk Parameters**

FAIR has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that FAIR must hold in perpetuity or for donor-specified periods, as well as board-designated funds. Under these policies, as approved by the Board of Directors, the endowment assets are invested in funds to achieve growth in principal value and income over time sufficient to preserve or increase the purchasing power of the funds, thus protecting the funds against inflation. Actual returns in any given year may vary.

#### **Strategies Employed for Achieving Objectives**

To satisfy FAIR's long-term rate-of-return objectives, FAIR relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). FAIR's current asset allocation for board-designated and endowment funds targets a composition of 15% fixed income, 10% money market funds and 75% stocks.

#### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

Excluding the Swensrud Memorial Internship Fund, FAIR's endowment spending policy takes the average combined value of the endowment fund during the previous 10 quarters, and calculates 5% annually of the rolling amount for release into current operations. Expenditures from the Swensrud Memorial Internship Fund are released from restrictions as the scholarships are awarded, in accordance with donor stipulations. If an endowment fund has a deficiency, the Board of Directors has the discretion to forgo any appropriation from that fund until the fund deficiency is replenished. In establishing this policy, FAIR considered the long-term expected return on its endowment. This is consistent with FAIR's objective to maintain the purchasing power of the endowment assets for a specified term, as well as to provide additional real growth through investment returns.



# FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

### 9. Endowment Funds (continued)

#### Spending Policy and How the Investment Objectives Relate to Spending Policy (continued)

In June 2013, FAIR's Board unanimously passed a resolution authorizing management to withdraw up to \$1,500,000 from the Swensrud Endowment Fund for the purpose of funding current operations. For the year ended December 31, 2017, there were no funds transferred to fund operations.

#### Funds with Deficiencies

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the level that the donor or UPMIFA requires FAIR to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2017.

#### Composition and Activity of Endowment Funds by Net Asset Category

The endowment's net asset composition by type of fund is as follows as of December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted funds	\$ -	\$ 1,134,978	\$ 2,531,324	\$ 3,666,302
Board-designated fund	<u>4,974,963</u>	<u>-</u>	<u>-</u>	<u>4,974,963</u>
Total Funds	<u>\$ 4,974,963</u>	<u>\$ 1,134,978</u>	<u>\$ 2,531,324</u>	<u>\$ 8,641,265</u>

Changes in endowment net assets are as follows for the year ended December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, January 1, 2017	<u>\$ 4,364,914</u>	<u>\$ 598,721</u>	<u>\$ 2,531,324</u>	<u>\$ 7,494,959</u>
Investment returns:				
Interest and dividends, net of investment expense	91,184	52,880	-	144,064
Net appreciation (realized and unrealized)	<u>833,517</u>	<u>483,377</u>	<u>-</u>	<u>1,316,894</u>
Total Investment Returns	<u>924,701</u>	<u>536,257</u>	<u>-</u>	<u>1,460,958</u>
Contributions	<u>68,431</u>	<u>-</u>	<u>-</u>	<u>68,431</u>
Spending policy	<u>(383,083)</u>	<u>-</u>	<u>-</u>	<u>(383,083)</u>
Endowment Net Assets, December 31, 2017	<u>\$ 4,974,963</u>	<u>\$ 1,134,978</u>	<u>\$ 2,531,324</u>	<u>\$ 8,641,265</u>



**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2017**

9. Endowment Funds (continued)

**Permanently Restricted Net Assets**

Swensrud Endowment Fund	\$ 2,427,571
Swensrud Memorial Internship Fund	<u>103,753</u>

The portion of perpetual endowment funds that is required to be retained permanently, either by explicit donor stipulation or by UPMIFA \$ 2,531,324

**Temporarily Restricted Net Assets**

The portion of perpetual endowment funds subject to a purpose restriction under UPMIFA:

With purpose restriction	\$ 140,161
Without purpose restriction	<u>994,817</u>

Total Endowment Funds Classified as Temporarily Restricted \$ 1,134,978

10. Savings Plans

FAIR sponsors a contributory tax-deferred savings plan for eligible employees whereby FAIR matches contributions for employees who meet certain length of service requirements. Under the terms of the plan, FAIR matches participants' contributions on a one-for-one basis up to a maximum of 2.5% of the gross salaries for employees who have one to three years of eligible service. After an employee reaches three years of eligible service, FAIR's contribution increases to a maximum of 5%, and after five years of service, a maximum of 7.5%. All eligible employees must contribute a minimum of 2.5% of their gross salaries in order to participate in the employer match. FAIR and Affiliates' plan contributions totaled \$140,464 for the year ended December 31, 2017, and are included in employee benefits and payroll taxes in the accompanying consolidated statement of functional expenses.

FAIR has also established a deferred compensation plan for certain key employees. The deferred compensation plan is intended to be a nonqualified deferred compensation plan that is governed by Section 457(b) of the Internal Revenue Code (the IRC). FAIR's deferred compensation plan contributions totaled \$6,211 for the year ended December 31, 2017, and are included in employee benefits and payroll taxes in the accompanying consolidated statement of functional expenses. As of December 31, 2017, the deferred compensation plan assets and liabilities totaled \$41,831 and are included in other assets and accounts payable and accrued expenses, respectively, in the accompanying consolidated statement of financial position.



# FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2017

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### 11. Allocation of Joint Costs

During the year ended December 31, 2017, FAIR and Affiliates incurred joint costs of \$538,723 for informational materials and activities, which included fundraising appeals. Of these costs, \$96,619 was allocated to fundraising expenses and \$442,104 was allocated to program service expenses in the accompanying consolidated statement of functional expenses.

### 12. Income Taxes

FAIR, FCTF and IRLI are exempt from the payment of income taxes under Sections 501(c)(3), 501(c)(4) and 501(c)(3) of the IRC, respectively. As such, these organizations are taxed only on their net unrelated business income. In addition, FAIR has filed an election under IRC Section 501(h), which permits FAIR to engage in a limited amount of legislative lobbying. No provision for income taxes has been made in the accompanying consolidated financial statements for the year ended December 31, 2017, as there was no significant net unrelated business income or excess lobbying expenditures.

FAIR and Affiliates adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in Financial Accounting Standards Board Accounting Standards Codification Topic 740, *Income Taxes*. FAIR and Affiliates performed an evaluation of uncertainty in income taxes for the year ended December 31, 2017, 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. As of December 31, 2017, the statute of limitations for tax years 2014 through 2016 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which FAIR and Affiliates files tax returns. As of December 31, 2017, FAIR and Affiliates had no accruals for interest and/or penalties.

### 13. Prior Year Summarized Financial Information

The accompanying consolidated 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 GAAP. Accordingly, such information should be read in conjunction with FAIR and Affiliates' consolidated financial statements for the year ended December 31, 2016, from which the summarized information was derived.

### 14. Subsequent Events

In preparing these consolidated financial statements, FAIR and Affiliates has evaluated events and transactions for potential recognition or disclosure through May 15, 2018, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the consolidated financial statements.



## **SUPPLEMENTAL INFORMATION**

**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**December 31, 2017**

	FAIR	FCTF	IRLI	Eliminations	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 6,580,741	\$ 41,402	\$ 1,980,027	\$ -	\$ 8,602,170
Grants receivable, current portion	-	-	1,500,000	-	1,500,000
Affiliate receivable	48,261	-	-	(48,261)	-
Prepaid expenses	5,592	-	-	-	5,592
<b>Total Current Assets</b>	<b>6,634,594</b>	<b>41,402</b>	<b>3,480,027</b>	<b>(48,261)</b>	<b>10,107,762</b>
Grants receivable, net of current portion	9,765,625	-	1,953,674	-	11,719,299
Investments	18,289,715	-	789,384	-	19,079,099
Property and equipment, net	943,950	-	6,573	-	950,523
Artwork collections	15,000	-	-	-	15,000
Other assets	413,377	-	-	-	413,377
Security deposits	38,611	-	-	-	38,611
<b>TOTAL ASSETS</b>	<b>\$ 36,100,872</b>	<b>\$ 41,402</b>	<b>\$ 6,229,658</b>	<b>\$ (48,261)</b>	<b>\$ 42,323,671</b>
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities					
Current liabilities					
Accounts payable and accrued expenses	\$ 431,513	\$ -	\$ 50,735	\$ -	\$ 482,248
Affiliate payable	-	1,735	46,526	(48,261)	-
Deferred rent and lease incentive liabilities, current portion	85,605	-	-	-	85,605
<b>Total Current Liabilities</b>	<b>517,118</b>	<b>1,735</b>	<b>97,261</b>	<b>(48,261)</b>	<b>567,853</b>
Deferred rent and lease incentive liabilities, net of current portion	1,355,468	-	-	-	1,355,468
<b>TOTAL LIABILITIES</b>	<b>1,872,586</b>	<b>1,735</b>	<b>97,261</b>	<b>(48,261)</b>	<b>1,923,321</b>
Net Assets					
Unrestricted	19,712,241	39,667	2,565,669	-	22,337,597
Temporarily restricted	11,984,721	-	3,546,708	-	15,531,429
Permanently restricted	2,531,324	-	-	-	2,531,324
<b>TOTAL NET ASSETS</b>	<b>34,228,286</b>	<b>39,667</b>	<b>6,132,397</b>	<b>-</b>	<b>40,400,350</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 36,100,872</b>	<b>\$ 41,402</b>	<b>\$ 6,229,658</b>	<b>\$ (48,261)</b>	<b>\$ 42,323,671</b>



**FEDERATION FOR AMERICAN IMMIGRATION REFORM AND AFFILIATES**

**CONSOLIDATING STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2017**

	FAIR	FCTF	IRLI	Eliminations	Total
<b>OPERATING REVENUE AND SUPPORT</b>					
Grants	\$ 25,703,641	\$ -	\$ 6,289,920	\$ -	\$ 31,993,561
Investment income	788,614	45	34,626	-	823,285
Contributions and bequests	719,404	500	-	-	719,904
Online marketing	104,025	-	-	-	104,025
Royalty income	13,916	-	-	-	13,916
Other income	72,454	-	102,652	(56,176)	118,930
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b>27,402,054</b>	<b>545</b>	<b>6,427,198</b>	<b>(56,176)</b>	<b>33,773,621</b>
<b>EXPENSES</b>					
Program Services:					
Media	3,486,750	-	-	-	3,486,750
Immigration Reform Law Institute (IRLI)	-	-	1,508,918	-	1,508,918
Public education	1,090,928	-	-	-	1,090,928
Government relations	971,294	-	-	-	971,294
Field	538,122	-	-	-	538,122
Research and publications	446,326	-	-	-	446,326
Membership education and service	352,983	-	-	-	352,983
Lobbying	299,521	-	-	-	299,521
Public interest legal	40,226	-	-	-	40,226
FAIR Congressional Task Force (FCTF)	-	4,810	-	-	4,810
<b>Total Program Services</b>	<b>7,226,150</b>	<b>4,810</b>	<b>1,508,918</b>	<b>-</b>	<b>8,739,878</b>
Supporting Services:					
Management and general	942,706	1,001	170,522	(56,176)	1,058,053
Fundraising	367,053	-	-	-	367,053
<b>Total Supporting Services</b>	<b>1,309,759</b>	<b>1,001</b>	<b>170,522</b>	<b>(56,176)</b>	<b>1,425,106</b>
<b>TOTAL EXPENSES</b>	<b>8,535,909</b>	<b>5,811</b>	<b>1,679,440</b>	<b>(56,176)</b>	<b>10,164,984</b>
Change in net assets before unrealized gains on investments	18,866,145	(5,266)	4,747,758	-	23,608,637
Unrealized gains on investments	1,317,453	-	55,433	-	1,372,886
<b>CHANGE IN NET ASSETS</b>	<b>20,183,598</b>	<b>(5,266)</b>	<b>4,803,191</b>	<b>-</b>	<b>24,981,523</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>14,044,688</b>	<b>44,933</b>	<b>1,329,206</b>	<b>-</b>	<b>15,418,827</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 34,228,286</b>	<b>\$ 39,667</b>	<b>\$ 6,132,397</b>	<b>\$ -</b>	<b>\$ 40,400,350</b>