



**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND  
NUMBERSUSA SUPPORT ORGANIZATION  
CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017**

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

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SEPTEMBER 30, 2018 AND 2017**

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7910 WOODMONT AVENUE  
SUITE 500  
BETHESDA, MD 20814  
(T) 301.986.0600

1150 18<sup>TH</sup> STREET, NW  
SUITE 550  
WASHINGTON, DC 20036  
(T) 202.822.0717

## **Independent Auditors' Report**

Board of Directors  
NumbersUSA Education & Research Foundation  
and NumbersUSA Support Organization  
Arlington, Virginia

We have audited the accompanying consolidated financial statements of NumbersUSA Education & Research Foundation (the Foundation) and NumbersUSA Support Organization (the Support Organization), (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 auditors consider 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.

Board of Directors  
NumbersUSA Education & Research Foundation  
and NumbersUSA Support Organization

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Councilor, Buchanan + Mitchell, P.C.*

Washington, D.C.  
January 17, 2019

Certified Public Accountants

NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 1,436,667	\$ 1,494,708
Investments	13,534,797	8,912,718
Contributions Receivable	10,001,958	81,176
Due from NumbersUSA Action	41,376	54,264
Prepaid Expenses	56,622	65,166
Total Current Assets	25,071,420	10,608,032
<b>Net Fixed Assets</b>	521,018	626,315
<b>Deferred Compensation Investment</b>	362,196	308,214
<b>Security Deposit</b>	24,781	24,781
<b>Total Assets</b>	<b>\$ 25,979,415</b>	<b>\$ 11,567,342</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 106,632	\$ 465,958
Accrued Salaries and Benefits	77,276	56,094
Accrued Vacation	180,093	158,502
Grant Payable to NumbersUSA Action	540,000	425,000
Deferred Rent	81,640	75,430
Total Current Liabilities	985,641	1,180,984
<b>Deferred Compensation Liability</b>	362,196	308,214
<b>Deferred Rent, Net of Current Portion</b>	359,534	438,049
Total Liabilities	1,707,371	1,927,247
<b>Net Assets</b>		
Unrestricted	24,194,991	7,582,537
Temporarily Restricted	77,053	2,057,558
Total Net Assets	24,272,044	9,640,095
<b>Total Liabilities and Net Assets</b>	<b>\$ 25,979,415</b>	<b>\$ 11,567,342</b>

*See accompanying Notes to Consolidated Financial Statements.*

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue</b>			
Contributions	\$ 24,097,407	\$ 77,053	\$ 24,174,460
Interest and Dividend Income	313,332	-	313,332
Gain on Investments	354,544	-	354,544
Other Income	4,707	-	4,707
Net Assets Released from Restrictions	<u>2,057,558</u>	<u>(2,057,558)</u>	<u>-</u>
 Total Revenue	 26,827,548	 (1,980,505)	 24,847,043
<b>Expenses</b>			
Programs			
U.S. Population Growth, Rural Land			
Loss, and the American Quality of Life	2,821,877	-	2,821,877
Labor-Force Competition, Unemployment, Wage Depression, and Income Inequality	1,821,960	-	1,821,960
Research and Education on Immigration	1,877,001	-	1,877,001
Legislation and Enforcement	2,951,371	-	2,951,371
Public Education	<u>2,951,371</u>	<u>-</u>	<u>2,951,371</u>
 Total Programs	 9,472,209	 -	 9,472,209
Management and General	570,787	-	570,787
Fundraising	<u>172,098</u>	<u>-</u>	<u>172,098</u>
 Total Expenses	 <u>10,215,094</u>	 <u>-</u>	 <u>10,215,094</u>
 Change in Net Assets	 16,612,454	 (1,980,505)	 14,631,949
Net Assets, Beginning of Year	<u>7,582,537</u>	<u>2,057,558</u>	<u>9,640,095</u>
 <b>Net Assets, End of Year</b>	 <u><u>\$ 24,194,991</u></u>	 <u><u>\$ 77,053</u></u>	 <u><u>\$ 24,272,044</u></u>

*See accompanying Notes to Consolidated Financial Statements.*

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenue</b>			
Contributions	\$ 5,255,017	\$ 1,775,837	\$ 7,030,854
Interest and Dividend Income	213,871	-	213,871
Gain on Investments	775,557	-	775,557
Other Income	4,606	-	4,606
Net Assets Released from Restrictions	205,949	(205,949)	-
	<u>6,455,000</u>	<u>1,569,888</u>	<u>8,024,888</u>
<b>Expenses</b>			
Programs			
U.S. Population Growth, Rural Land Loss, and the American Quality of Life	1,518,438	-	1,518,438
Labor-Force Competition, Unemployment, Wage Depression, and Income Inequality	2,543,886	-	2,543,886
Research and Education on Immigration Legislation and Enforcement	1,909,469	-	1,909,469
Public Education	729,045	-	729,045
	<u>6,700,838</u>	<u>-</u>	<u>6,700,838</u>
Management and General	478,490	-	478,490
Fundraising	173,050	-	173,050
	<u>7,352,378</u>	<u>-</u>	<u>7,352,378</u>
Total Expenses	<u>7,352,378</u>	<u>-</u>	<u>7,352,378</u>
Change in Net Assets	(897,378)	1,569,888	672,510
Net Assets, Beginning of Year	<u>8,479,915</u>	<u>487,670</u>	<u>8,967,585</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 7,582,537</u></u>	<u><u>\$ 2,057,558</u></u>	<u><u>\$ 9,640,095</u></u>

*See accompanying Notes to Consolidated Financial Statements.*

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Public Education	U.S. Population Growth and the American Quality of Life	Labor-Force Competition, Unemployment and Wage Depression	Research and Education on Immigration Legislation and Enforcement	Total Programs	Management and General	Fundraising	Total
Payroll	\$ 267,256	\$ 486,802	\$ 602,422	\$ 808,080	\$ 2,164,560	\$ 296,256	\$ 105,412	\$ 2,566,228
Advertising	1,155,881	1,814,853	454,978	234,787	3,660,499	-	-	3,660,499
Grant	-	54,000	216,000	270,000	540,000	-	-	540,000
Outside Labor	47,511	11,188	18,000	40,597	117,296	77	77	117,450
Payroll Taxes and Benefits	50,742	121,307	141,311	174,968	488,328	71,808	24,771	584,907
Consulting	1,365,706	140,066	188,117	119,172	1,813,061	13,726	4,867	1,831,654
Occupancy	47,007	53,457	56,550	64,608	221,622	10,000	4,330	235,952
Telephone and Internet	-	8,210	9,366	11,939	29,515	5,062	1,615	36,192
Depreciation and Amortization	-	38,444	38,444	38,444	115,332	6,407	6,407	128,146
Travel	8,768	25,138	24,336	29,339	87,581	21,878	3,539	112,998
Miscellaneous	1,000	6,680	6,148	6,851	20,679	860	832	22,371
Professional Fees	-	-	-	-	-	38,769	2,024	40,793
Dues and Subscriptions	7,500	11,022	16,546	25,742	60,810	2,864	7,649	71,323
Software	-	41,029	41,029	41,029	123,087	6,836	8,828	138,751
Supplies	-	5,979	6,428	8,549	20,956	5,640	570	27,166
Service Charges	-	-	-	-	-	14,521	342	14,863
Investment Fees	-	-	-	-	-	14,933	-	14,933
Printing and Copying	-	1,669	1,394	1,718	4,781	490	331	5,602
Postage and Shipping	-	2,033	891	1,178	4,102	96	504	4,702
Insurance	-	-	-	-	-	31,112	-	31,112
Board Expenses	-	-	-	-	-	29,452	-	29,452
<b>Total Expenses</b>	<b>\$ 2,951,371</b>	<b>\$ 2,821,877</b>	<b>\$ 1,821,960</b>	<b>\$ 1,877,001</b>	<b>\$ 9,472,209</b>	<b>\$ 570,787</b>	<b>\$ 172,098</b>	<b>\$ 10,215,094</b>

*See accompanying Notes to Consolidated Financial Statements.*



**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	Public Education	U.S. Population Growth and the American Quality of Life	Labor-Force Competition, Unemployment and Wage Depression	Research and Education on Immigration Legislation and Enforcement	Total Programs	Management and General	Fundraising	Total
Payroll	\$ 3,756	\$ 389,096	\$ 589,857	\$ 741,205	\$ 1,723,914	\$ 258,678	\$ 106,228	\$ 2,088,820
Advertising	323,951	630,965	922,955	400,312	2,278,183	4	2,105	2,280,292
Grant	-	42,500	170,000	212,500	425,000	-	-	425,000
Outside Labor	-	23,118	34,804	37,968	95,890	1,136	1,136	98,162
Payroll Taxes and Benefits	230	101,524	138,877	165,782	406,413	60,827	27,908	495,148
Consulting	356,066	148,129	489,607	147,192	1,140,994	26,259	850	1,168,103
Occupancy	13,422	54,942	55,320	55,887	179,571	7,065	5,299	191,935
Telephone and Internet	-	7,414	9,737	12,827	29,978	5,026	1,507	36,511
Depreciation and Amortization	-	25,620	25,620	25,620	76,860	4,269	4,270	85,399
Travel	82	21,077	25,219	24,932	71,310	9,285	1,292	81,887
Miscellaneous	5,543	10,705	10,745	8,019	35,012	930	911	36,853
Professional Fees	25,160	-	-	-	25,160	22,669	2,044	49,873
Dues and Subscriptions	305	7,317	19,032	21,859	48,513	1,193	8,782	58,488
Software	-	43,335	44,317	46,144	133,796	7,132	9,175	150,103
Supplies	527	4,942	5,346	6,332	17,147	2,558	556	20,261
Service Charges	-	-	-	-	-	8,178	-	8,178
Investment Fees	-	-	-	-	-	22,019	-	22,019
Printing and Copying	-	3,767	1,566	1,854	7,187	144	297	7,628
Postage and Shipping	3	3,987	884	1,036	5,910	86	690	6,686
Insurance	-	-	-	-	-	23,664	-	23,664
Board Expenses	-	-	-	-	-	17,368	-	17,368
<b>Total Expenses</b>	<b>\$ 729,045</b>	<b>\$ 1,518,438</b>	<b>\$ 2,543,886</b>	<b>\$ 1,909,469</b>	<b>\$ 6,700,838</b>	<b>\$ 478,490</b>	<b>\$ 173,050</b>	<b>\$ 7,352,378</b>

*See accompanying Notes to Consolidated Financial Statements.*

NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	2017
<b>Cash Flows from Operating Activities</b>		
<b>Change in Net Assets</b>	<b>\$ 14,631,949</b>	<b>\$ 672,510</b>
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Depreciation and Amortization	128,146	85,399
Gain on Investments	(354,544)	(744,563)
Loss on Disposal of Fixed Assets	-	110
<u>(Increase) Decrease in Assets</u>		
Contributions Receivable	(9,920,782)	(54,831)
Due from NumbersUSA Action	12,888	64,157
Prepaid Expenses	8,544	8,346
Deferred Compensation Investment	(53,982)	(62,244)
Security Deposit	-	(3,918)
<u>Increase (Decrease) in Liabilities</u>		
Accounts Payable	(359,326)	(71,931)
Accrued Salaries and Benefits	21,182	14,875
Accrued Vacation	21,591	11,792
Grant Payable to NumbersUSA Action	115,000	(225,000)
Deferred Compensation Liability	53,982	62,244
Deferred Rent	(72,305)	(53,889)
	4,232,343	(296,943)
<b>Net Cash Provided by (Used in) Operating Activities</b>		
	<b>4,232,343</b>	<b>(296,943)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of Fixed Assets	(22,849)	(217,568)
Purchases of Investments	(11,788,726)	(3,213,871)
Proceeds from Sales of Investments	7,521,191	4,547,020
	(4,290,384)	1,115,581
<b>Net Cash (Used in) Provided by Investing Activities</b>		
	<b>(4,290,384)</b>	<b>1,115,581</b>
<b>Net (Decrease) Increase in Cash</b>	<b>(58,041)</b>	<b>818,638</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>1,494,708</b>	<b>676,070</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,436,667</b>	<b>\$ 1,494,708</b>

**Noncash Transaction from Investing and Financing Activities**

The Foundation received an allowance of approximately \$70,000 for leasehold improvements during the year ended September 30, 2017, pursuant to an operating lease.

*See accompanying Notes to Consolidated Financial Statements.*

NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017

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1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Organization*

NumbersUSA Education & Research Foundation (the Foundation) is a nonprofit organization incorporated in the Commonwealth of Virginia on May 14, 2002. The Foundation provides a civil forum for Americans of all political and ethnic backgrounds to focus on a single issue, the numerical level of U.S. immigration. The Foundation educates opinion leaders, policymakers and the public on immigration legislation, policies and their consequences. The Foundation favors reductions in immigration numbers toward traditional levels that would allow present and future generations of Americans to enjoy a stabilizing U.S. population and a high degree of individual liberty, mobility, environmental quality, worker fairness and fiscal responsibility.

NumbersUSA Support Organization (the Support Organization) was founded during the year ended September 30, 2017, and is operated exclusively to carry out the purposes of the Organization.

The Organization is supported primarily by contributions.

The Foundation's major programs consist of the following:

***Labor-Force Competition, Unemployment, Wage Depression, and Income Inequality:*** The Foundation provides public education on the role of U.S. immigration policy in depressing wages, decreasing workforce participation, worsening working conditions, widening economic disparity and reducing educational quality, particularly for the most vulnerable American workers and children. Also, education on the role of immigration - both legal and illegal - in depressing technical and managerial innovations. Educational efforts include TV, radio, internet and print media interviews and messaging, focusing on the plight of unemployed and underemployed Americans; and writings and papers on the topic made available to online participants and the public via press releases, emails, social media, website postings, presentations to university and civic organization audiences.

***Research and Education on Immigration Legislation and Enforcement:*** The Foundation provides analysis of federal and state immigration legislation with particular focus on numerical impact of proposed legislation (on both legal and illegal immigration levels). Educating the public, students, public officials, news media and non-government organizations on findings of research.

***U.S. Population Growth, Rural Land Loss, and the American Quality of Life:*** The Foundation provides research and public education about the size of and components of U.S. population growth, projections for the future, and implications, particularly on farmland, natural habitat, separate identities of local communities, and the quality of life of American individuals and communities and of the country's eco-systems. Interactive web-based tools, publications, videos, internet presentations are available to the public, used by online participants, including educational uses in colleges, civic and religious organizations, and news media. Staff educates the public through regular appearances at academic conferences, university classes, civic events, and on national, regional, and local TV, radio, webcasts, social media, newspapers, blogs, and journals.

NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017

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

*Organization (Continued)*

**Public Education:** The Support Organization's primary program is public education about the effects of U.S. immigration policy on jobs, wages, population change, environment, and quality of life through the use of messages on social media, Internet-based tools and videos, television and radio advertising, and hosting educational conferences.

*Principles of Consolidation*

The consolidated financial statements include the accounts of the Foundation and the Support Organization, collectively, the Organization. Significant intercompany balances and transactions have been eliminated in consolidation.

*Basis of Accounting*

The accompanying consolidated financial statements are presented on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when incurred.

*Income Taxes*

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

The Support Organization is exempt from income taxes under Section 501(c)(3) of the Code. The Support Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code and meets the definition of a supporting organization within the meaning of Section 509(a)(3) of the Code.

The Organization requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its consolidated financial statements include, or reflect, any uncertain tax positions.

The Foundation's and the Support Organization's IRS Forms 990, *Return of Organization Exempt from Income Tax*, and related state filings are subject to examination by federal and state taxing authorities generally for three years after filing.

*Cash and Cash Equivalents*

Cash and cash Equivalents includes cash on hand and other highly liquid instruments with maturities of less than three months, when purchased or donated.

*Investments*

Investments consist of mutual funds and are recorded at fair value based on quoted market prices on national exchanges.

NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017

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

***Fixed Assets***

The Organization capitalizes all fixed asset acquisitions in excess of \$1,500. Fixed assets are recorded at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is provided on a straight-line basis over the estimated useful life of the asset. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining lease term.

***Contributions***

The Organization reports gifts of cash and other assets as 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 restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Restricted contributions, for which the restrictions are met in the year received, are considered unrestricted for financial statement purposes.

***Contributions Receivable***

Contributions receivable are considered to be fully collectible by management, and accordingly, no allowance for doubtful accounts is considered necessary.

***Deferred Compensation Investment***

As of September 30, 2018 and 2017, the deferred compensation investment consists of mutual funds which are stated at fair market value.

***Lease Commitment***

Rent expense is recognized on a straight-line basis over the term of the lease.

***Estimates***

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

***Functional Expenses***

The costs of providing various programs and other activities have been reported in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Reclassifications***

Certain amounts for the year ended September 30, 2017, have been reclassified for comparative purposes.

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017**

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**2. RETIREMENT PLAN AND DEFERRED COMPENSATION**

The Foundation sponsors a 403(b) defined contribution retirement plan (the Plan). All full-time and qualified part-time employees are eligible to participate in the Plan provided they have been employed by the Foundation for at least one year and contribute at least two percent of their annual compensation to the Plan. The Foundation matches employee contributions at a rate between two and one-half and seven and one-half percent of annual compensation depending on the employee's length of service. For the years ended September 30, 2018 and 2017, the Foundation made contributions of approximately \$115,000 and \$101,000, respectively, to the Plan.

The Foundation established a nonqualified 457(f) and a 457(b) deferred compensation plan (the Deferred Plans) for its President. The Deferred Plans require the Foundation to establish and maintain a book entry account on behalf of the President for all contributions, deferrals, and investment experience related to the Deferred Plans. The Foundation is not liable for any specific investment success nor is it required to restore any loss of principal that may occur due to market conditions. Under current law, such funds remain the asset of the Foundation and, as such, are subject to the creditors of the Foundation. For the years ended September 30, 2018 and 2017, the Foundation made contributions of \$29,225 and \$31,250, respectively, to the Deferred Plans.

**3. CONCENTRATIONS**

The Organization maintains cash balances at a financial institution in the Washington, D.C. metropolitan area. The accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, the Organization's cash balances exceeded the FDIC limits. Management believes the risk in these situations is minimal.

As of September 30, 2018, approximately 100% of the contributions receivable was from one donor, and as of September 30, 2017 approximately 99% of the contributions receivable was from two donors.

As of September 30, 2018 and 2017, approximately 93% and 58%, respectively, of contributions were received from one donor.

**4. RELATED PARTY TRANSACTIONS**

The Foundation shares staff, office space and other related expenses and services with NumbersUSA Action, Inc. (Action). Action is exempt from federal income taxes under Section 501(c)(4) of the Code. In addition, the President of the Foundation is the Chairman of Action. The Foundation was reimbursed by Action for expenses of approximately \$569,000 and \$523,000, respectively, for the years ended September 30, 2018 and 2017.

During the years ended September 30, 2018 and 2017, the Foundation awarded a grant to Action of \$540,000 and \$425,000, respectively.

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017**

**5. FIXED ASSETS**

As of September 30, 2018 and 2017, the Organization's fixed assets consisted of the following:

Description	2018	2017
Furniture and Fixtures	\$ 44,371	\$ 42,422
Equipment	85,634	68,711
Leasehold Improvements	696,785	696,785
	<b>826,790</b>	807,918
Less Accumulated Depreciation and Amortization	<b>(305,772)</b>	(181,603)
Net Fixed Assets	<b>\$ 521,018</b>	\$ 626,315

**6. LINE OF CREDIT AGREEMENT**

The Foundation has a \$250,000 unsecured revolving line of credit (LOC) from a bank which expires April 29, 2019. The LOC may be terminated by the bank with sixty days written notice, requiring payment in full of any outstanding amounts. As of September 30, 2018 and 2017, there was no balance due on the LOC. Interest on the LOC would be charged at the highest prime rate published in the Money Rates Section of the *Wall Street Journal*.

**7. LEASING ARRANGEMENTS**

During the year ended September 30, 2016, the Foundation entered into a lease agreement for office space in Arlington, Virginia. The lease period is from October 1, 2015 through April 30, 2023, with a one-time five year renewal option. The lease includes a rent abatement and a construction allowance. The Foundation is responsible for its prorata share of real estate taxes and operating expenses.

During the year ended September 30, 2017, the Foundation amended their original lease agreement to expand the leased premises. The amendment began August 11, 2017 and ends on April 30, 2023 and includes the same renewal clause as the original lease. The amendment includes a construction allowance.

The following is a schedule of future minimum lease payments:

<u>For the Years Ending September 30,</u>	<u>Amount</u>
2019	\$ 283,677
2020	291,476
2021	299,493
2022	307,725
2023	210,555
Total Future Minimum Lease Payments	<b>\$ 1,392,926</b>

Total future minimum lease payments have not been reduced by approximately \$19,000 of sublease rentals to be received in the future under non-cancelable subleases.

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017**

**7. LEASING ARRANGEMENTS (CONTINUED)**

For the years ended September 30, 2018 and 2017, rental expense was approximately \$222,000 and \$182,000, respectively, net of sublease income of approximately \$24,000 each year.

**8. FAIR VALUE MEASUREMENTS**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

*Level 1* - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include mutual funds);

*Level 2* - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

*Level 3* - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value require significant management judgment (examples include certain private equity securities and split interest agreements).

The following presents the Organization's assets and liabilities measured at fair value as of September 30, 2018:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Vanguard</b>				
Int-Term Inv Grade Adm	\$ 1,501,366	\$ -	\$ -	\$ 1,501,366
Short-Term Inv Grade Adm	1,001,004	-	-	1,001,004
Total Bond Mkt Index Fund Adm	2,493,527	-	-	2,493,527
Total Intl Bond Index Fund Adm	2,136,572	-	-	2,136,572
Total Stock Mkt Index Fund Adm	3,914,075	-	-	3,914,075
Total Intl Stock Index Adm	2,488,253	-	-	2,488,253
	<u>\$ 13,534,797</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,534,797</u>
Deferred Compensation Investment	<u>\$ 362,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,196</u>
Deferred Compensation Liability	<u>\$ 362,196</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,196</u>

The following presents the Organization's assets and liabilities measured at fair value as of September 30, 2017:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Vanguard</b>				
Int-Term Inv Grade Adm	\$ 735,288	\$ -	\$ -	\$ 735,288
Short-Term Inv Grade Adm	490,519	-	-	490,519
Total Bond Mkt Index Fund Adm	1,224,424	-	-	1,224,424
Total Intl Bond Index Fund Adm	1,046,927	-	-	1,046,927
Total Stock Mkt Index Fund Adm	3,270,504	-	-	3,270,504
Total Intl Stock Index Adm	2,145,056	-	-	2,145,056
	<u>\$ 8,912,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,912,718</u>
Deferred Compensation Investment	<u>\$ 308,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,214</u>
Deferred Compensation Liability	<u>\$ 308,214</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,214</u>



**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018 AND 2017**

**9. TEMPORARILY RESTRICTED NET ASSETS**

As of September 30, 2018 and 2017, the Organization's temporarily restricted net assets were available for the following purposes:

<u>Purpose</u>	<u>2018</u>	<u>2017</u>
Protecting our Allies	\$ 72,034	\$ -
Population Education for Scientists and Environment	5,019	838
Media Awareness	-	2,056,720
Total Temporarily Restricted Net Assets	<u>\$ 77,053</u>	<u>\$ 2,057,558</u>

For the years ended September 30, 2018 and 2017, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

<u>Purpose</u>	<u>2018</u>	<u>2017</u>
Media Awareness	\$ 2,056,720	\$ 140,297
Population Education for Scientists and Environment	838	13,980
Out to Win	-	51,672
Net Assets Released from Restrictions	<u>\$ 2,057,558</u>	<u>\$ 205,949</u>

**10. SUBSEQUENT EVENTS**

Subsequent events were evaluated through January 17, 2019, which is the date the consolidated financial statements were available to be issued.



7910 WOODMONT AVENUE  
SUITE 500  
BETHESDA, MD 20814  
(T) 301.986.0600

1150 18<sup>TH</sup> STREET, NW  
SUITE 550  
WASHINGTON, DC 20036  
(T) 202.822.0717

## Independent Auditors' Report on Consolidating Information

Board of Directors  
NumbersUSA Education & Research Foundation  
and NumbersUSA Support Organization  
Arlington, Virginia

We have audited the consolidated financial statements of NumbersUSA Education & Research Foundation (the Foundation), and NumbersUSA Support Organization (the Support Organization), as of and for the years ended September 30, 2018 and 2017, and our report thereon dated January 17, 2019, which expressed an unmodified audit opinion on those consolidated financial statements, appears on pages 3 and 4. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities are presented for purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, results of operations, and cash flows of the individual organizations, and are not required parts 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 consolidating information has been subjected to the auditing procedures applied in the audits 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Councilor, Buchanan & Mitchell, P.C.*

Washington, D.C.  
January 17, 2019

Certified Public Accountants

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2018**

	Foundation	Support Organization	Eliminations	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 709,013	\$ 727,654	\$ -	\$ 1,436,667
Investments	7,635,365	5,899,432	-	13,534,797
Contributions Receivable	1,958	10,000,000	-	10,001,958
Due from NumbersUSA Action	41,376	-	-	41,376
Due from NumbersUSA Support Organization	108,298	-	(108,298)	-
Prepaid Expenses	56,622	-	-	56,622
Total Current Assets	8,552,632	16,627,086	(108,298)	25,071,420
<b>Net Fixed Assets</b>	521,018	-	-	521,018
<b>Deferred Compensation Investment</b>	362,196	-	-	362,196
<b>Security Deposit</b>	24,781	-	-	24,781
<b>Total Assets</b>	<u>\$ 9,460,627</u>	<u>\$ 16,627,086</u>	<u>\$ (108,298)</u>	<u>\$ 25,979,415</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 106,632	\$ -	\$ -	\$ 106,632
Accrued Salaries and Benefits	77,276	-	-	77,276
Accrued Vacation	180,093	-	-	180,093
Due to Foundation	-	108,298	(108,298)	-
Grant Payable to NumbersUSA Action	540,000	-	-	540,000
Deferred Rent	81,640	-	-	81,640
Total Current Liabilities	985,641	108,298	(108,298)	985,641
<b>Deferred Compensation Liability</b>	362,196	-	-	362,196
<b>Deferred Rent, Net of Current Portion</b>	359,534	-	-	359,534
Total Liabilities	1,707,371	108,298	(108,298)	1,707,371
<b>Net Assets</b>				
Unrestricted	7,676,203	16,518,788	-	24,194,991
Temporarily Restricted	77,053	-	-	77,053
Total Net Assets	7,753,256	16,518,788	-	24,272,044
<b>Total Liabilities and Net Assets</b>	<u>\$ 9,460,627</u>	<u>\$ 16,627,086</u>	<u>\$ (108,298)</u>	<u>\$ 25,979,415</u>

*See Independent Auditors' Report on Consolidating Information.*

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2017**

	Foundation	Support Organization	Eliminations	Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash	\$ 1,494,208	\$ 500	\$ -	\$ 1,494,708
Investments	8,912,718	-	-	8,912,718
Contributions Receivable	81,176	-	-	81,176
Due from NumbersUSA Action	54,264	-	-	54,264
Due from NumbersUSA Support Organization	729,545	-	(729,545)	-
Prepaid Expenses	65,166	-	-	65,166
Total Current Assets	11,337,077	500	(729,545)	10,608,032
<b>Net Fixed Assets</b>	626,315	-	-	626,315
<b>Deferred Compensation Investment</b>	308,214	-	-	308,214
<b>Security Deposit</b>	24,781	-	-	24,781
<b>Total Assets</b>	<u>\$ 12,296,387</u>	<u>\$ 500</u>	<u>\$ (729,545)</u>	<u>\$ 11,567,342</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 465,958	\$ -	\$ -	\$ 465,958
Accrued Salaries and Benefits	56,094	-	-	56,094
Accrued Vacation	158,502	-	-	158,502
Due to Foundation	-	729,545	(729,545)	-
Grant Payable to NumbersUSA Action	425,000	-	-	425,000
Refundable Advances	-	-	-	-
Deferred Rent	75,430	-	-	75,430
Total Current Liabilities	1,180,984	729,545	(729,545)	1,180,984
<b>Deferred Compensation Liability</b>	308,214	-	-	308,214
<b>Deferred Rent, Net of Current Portion</b>	438,049	-	-	438,049
Total Liabilities	1,927,247	729,545	(729,545)	1,927,247
<b>Net Assets</b>				
Unrestricted	8,311,582	(729,045)	-	7,582,537
Temporarily Restricted	2,057,558	-	-	2,057,558
Total Net Assets	10,369,140	(729,045)	-	9,640,095
<b>Total Liabilities and Net Assets</b>	<u>\$ 12,296,387</u>	<u>\$ 500</u>	<u>\$ (729,545)</u>	<u>\$ 11,567,342</u>

*See Independent Auditors' Report on Consolidating Information.*

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Foundation	Support Organization	Eliminations	Total
<b>Revenue</b>				
Contributions	\$ 4,174,360	\$ 20,140,100	\$ (140,000)	\$ 24,174,460
Interest and Dividend Income	172,590	140,742	-	313,332
Gain (Loss) on Investments	389,047	(34,503)	-	354,544
Other Income	4,707	-	-	4,707
<b>Total Revenue</b>	<b>4,740,704</b>	<b>20,246,339</b>	<b>(140,000)</b>	<b>24,847,043</b>
<b>Expenses</b>				
Programs				
U.S. Population Growth, Rural Land Loss, and the American Quality of Life	2,821,877	-	-	2,821,877
Labor-Force Competition, Unemployment, Wage Depression, and Income Inequality	1,877,960	-	(56,000)	1,821,960
Research and Education on Immigration Legislation and Enforcement	1,961,001	-	(84,000)	1,877,001
Public Education	-	2,951,371	-	2,951,371
<b>Total Programs</b>	<b>6,660,838</b>	<b>2,951,371</b>	<b>(140,000)</b>	<b>9,472,209</b>
Management and General	534,581	36,206	-	570,787
Fundraising	161,169	10,929	-	172,098
<b>Total Expenses</b>	<b>7,356,588</b>	<b>2,998,506</b>	<b>(140,000)</b>	<b>10,215,094</b>
Change in Net Assets	(2,615,884)	17,247,833	-	14,631,949
Net Assets, Beginning of Year	10,369,140	(729,045)	-	9,640,095
<b>Net Assets, End of Year</b>	<b>\$ 7,753,256</b>	<b>\$ 16,518,788</b>	<b>\$ -</b>	<b>\$ 24,272,044</b>

*See Independent Auditors' Report on Consolidating Information.*

**NUMBERSUSA EDUCATION & RESEARCH FOUNDATION  
AND NUMBERSUSA SUPPORT ORGANIZATION**

**CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

	<u>Foundation</u>	<u>Support Organization</u>	<u>Total</u>
<b>Revenue</b>			
Contributions	\$ 7,030,854	\$ -	\$ 7,030,854
Interest and Dividend Income	213,871	-	213,871
Gain on Investments	775,557	-	775,557
Other Income	4,606	-	4,606
	<u>8,024,888</u>	<u>-</u>	<u>8,024,888</u>
<b>Expenses</b>			
Programs			
U.S. Population Growth, Rural Land Loss, and the American Quality of Life	1,518,438	-	1,518,438
Labor-Force Competition, Unemployment, Wage Depression, and Income Inequality	2,543,886	-	2,543,886
Research and Education on Immigration Legislation and Enforcement	1,909,469	-	1,909,469
Public Education	-	729,045	729,045
	<u>5,971,793</u>	<u>729,045</u>	<u>6,700,838</u>
Total Programs			
Management and General	478,490	-	478,490
Fundraising	173,050	-	173,050
	<u>6,623,333</u>	<u>729,045</u>	<u>7,352,378</u>
Total Expenses			
Change in Net Assets	1,401,555	(729,045)	672,510
Net Assets, Beginning of Year	<u>8,967,585</u>	<u>-</u>	<u>8,967,585</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 10,369,140</u></u>	<u><u>\$ (729,045)</u></u>	<u><u>\$ 9,640,095</u></u>

*See Independent Auditors' Report on Consolidating Information.*