Financial Statements

National Immigration Law Center

For the Years Ended
June 30, 2026 and 2025

National Immigration Law Center

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Immigration Law Center
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the National Immigration Law Center (NILC), which comprise the statements of financial position as of June 30, 2026 and 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NILC as of June 30, 2026 and 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NILC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NILC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NILC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NILC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.



November 12, 2026

National Immigration Law Center

Statements of Financial Position
As of June 30, 2026 and 2025

ASSETS

	2026	2025
Cash and cash equivalents	$ 2,901,414	$ 4,031,621
Investments	34,076,061	28,392,979
Grants and contributions receivable, net	1,691,963	3,777,925
Other receivables	165,194	115,345
Due from related party	26,239	670,663
Prepaid expenses and other assets	436,699	318,059
Property and equipment, net	28,491	134,757
Operating lease right-of-use asset, net	1,495,105	1,719,973
Total Assets	$ 40,821,166	$ 39,161,322

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued liabilities	$ 359,227	$ 532,846
Accrued salaries and related benefits	1,038,908	990,829
Deferred revenue	25,000	25,000
Operating lease liability, net	1,995,342	2,246,923
Total liabilities	3,418,477	3,795,598
NET ASSETS		
Without donor restrictions		
Undesignated	20,288,676	11,886,409
Board designated	7,397,832	7,397,832
Total net assets without donor restrictions	27,686,508	19,284,241
With donor restrictions	9,716,181	16,081,483
Total net assets	37,402,689	35,365,724
Total Liabilities and Net Assets	$ 40,821,166	$ 39,161,322

See accompanying notes to financial statements.

National Immigration Law Center

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants	$ 2,992,500	$ 8,895,038	$ 11,887,538
Contributions	11,601,598	75,000	11,676,598
Net investment return	1,040,048	546,945	1,586,993
Contracts	50,000	-	50,000
Other revenue	27,661	-	27,661
Sublease income	18,765	-	18,765
Net assets released from donor restrictions	11,159,368	(11,159,368)	-
Total support and revenue	26,889,940	(1,642,385)	25,247,555
EXPENSES			
Program Services:			
Legal and Policy	6,257,762	-	6,257,762
Other Programs	3,915,767	-	3,915,767
Partnerships and Advocacy	3,498,391	-	3,498,391
Protecting Immigrant Families	1,489,599	-	1,489,599
Total program services	15,161,519	-	15,161,519
Supporting Services:			
Fundraising	2,362,092	-	2,362,092
General and Administrative	964,062	-	964,062
Total supporting services	3,326,154	-	3,326,154
Total expenses	18,487,673	-	18,487,673
Changes in net assets before other item	8,402,267	(1,642,385)	6,759,882
OTHER ITEM			
PIF program transfer	-	(4,722,917)	(4,722,917)
Changes in net assets	8,402,267	(6,365,302)	2,036,965
Net assets at beginning of year	19,284,241	16,081,483	35,365,724
Net Assets at End of Year	$ 27,686,508	$ 9,716,181	$ 37,402,689

See accompanying notes to financial statements.

National Immigration Law Center

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants	$ 1,030,000	$ 13,986,723	$ 15,016,723
Contributions	6,229,236	-	6,229,236
Net investment return	1,151,008	237,035	1,388,043
Attorney fees awards	496,696	-	496,696
Contracts	97,003	-	97,003
Other revenue	10,974	-	10,974
Sublease income	18,793	-	18,793
Net assets released from donor restrictions	15,609,961	(15,609,961)	-
Total support and revenue	24,643,671	(1,386,203)	23,257,468
EXPENSES			
Program Services:			
Legal and Policy	4,743,812	-	4,743,812
Other Programs	3,387,251	-	3,387,251
Partnerships and Advocacy	3,205,837	-	3,205,837
Protecting Immigrant Families	2,967,892	-	2,967,892
Total program services	14,304,792	-	14,304,792
Supporting Services:			
Fundraising	1,620,645	-	1,620,645
General and Administrative	991,786	-	991,786
Total supporting services	2,612,431	-	2,612,431
Total expenses	16,917,223	-	16,917,223
Changes in net assets	7,726,448	(1,386,203)	6,340,245
Net assets at beginning of year	11,557,793	17,467,686	29,025,479
Net Assets at End of Year	$ 19,284,241	$ 16,081,483	$ 35,365,724

See accompanying notes to financial statements.

National Immigration Law Center

Statement of Functional Expenses
For the Year Ended June 30, 2026

	Program Services					Supporting Services			
	Legal and Policy	Other Programs	Partnerships and Advocacy	Protecting Immigrant Families	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total Expenses
Salaries and related benefits	$ 4,741,213	$ 2,089,269	$ 2,422,881	$ 319,392	$ 9,572,755	$ 1,380,832	$ 588,157	$ 1,968,989	$ 11,541,744
Professional services	663,907	1,111,202	467,308	745,533	2,987,950	534,305	206,749	741,054	3,729,004
Travel	169,176	172,736	68,374	75,024	485,310	39,462	52,815	92,277	577,587
Meetings and retreats	60,170	118,789	26,853	177,686	383,498	10,106	59,821	69,927	453,425
Information technology	100,860	65,364	120,640	27,986	314,850	108,280	18,831	127,111	441,961
Business fees	39,101	46,627	133,878	2,670	222,276	184,554	2,848	187,402	409,678
Subgrants	190,000	-	105,000	80,000	375,000	-	-	-	375,000
Occupancy	151,420	66,792	77,410	10,211	305,833	44,144	18,803	62,947	368,780
Marketing	20,000	201,988	29,745	40,881	292,614	28,342	-	28,342	320,956
Depreciation and amortization	38,795	17,113	19,833	2,616	78,357	11,310	4,817	16,127	94,484
Insurance	29,681	13,092	15,174	2,355	60,302	8,653	3,686	12,339	72,641
Office expenses	12,534	5,516	5,837	3,365	27,252	8,144	4,456	12,600	39,852
Litigation	29,602	-	-	-	29,602	-	-	-	29,602
Other and miscellaneous	6,465	5,145	2,985	1,554	16,149	2,550	2,478	5,028	21,177
Loss on disposal	4,838	2,134	2,473	326	9,771	1,410	601	2,011	11,782
Total	$ 6,257,762	$ 3,915,767	$ 3,498,391	$ 1,489,599	$ 15,161,519	$ 2,362,092	$ 964,062	$ 3,326,154	$ 18,487,673

See accompanying notes to financial statements.

National Immigration Law Center

Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services					Supporting Services			
	Legal and Policy	Other Programs	Partnerships and Advocacy	Protecting Immigrant Families	Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total Expenses
Salaries and related benefits	$ 3,637,190	$ 1,721,428	$ 2,276,035	$ 704,381	$ 8,339,034	$ 1,028,842	$ 496,862	$ 1,525,704	$ 9,864,738
Professional services	534,835	1,236,523	245,776	1,316,504	3,333,638	268,223	381,069	649,292	3,982,930
Travel	90,601	122,528	41,365	82,425	336,919	14,786	26,756	41,542	378,461
Meetings and retreats	46,286	34,824	32,285	87,694	201,089	13,683	11,820	25,503	226,592
Information technology	87,917	69,699	109,619	27,698	294,933	91,895	19,919	111,814	406,747
Business fees	66,340	34,838	73,043	4,134	178,355	122,657	7,897	130,554	308,909
Subgrants	60,000	-	250,600	682,800	993,400	-	-	-	993,400
Occupancy	134,035	63,445	83,867	25,961	307,308	37,919	18,312	56,231	363,539
Marketing	-	63,507	42,447	18,700	124,654	-	-	-	124,654
Depreciation and amortization	34,887	16,514	21,829	6,757	79,987	9,870	4,766	14,636	94,623
Insurance	28,345	13,417	17,735	5,490	64,987	8,019	178	8,197	73,184
Office expenses	1,676	4,202	639	543	7,060	21,727	22,258	43,985	51,045
Litigation	5,828	-	-	-	5,828	-	-	-	5,828
Other and miscellaneous	15,872	6,326	10,597	4,805	37,600	3,024	1,949	4,973	42,573
Total	$ 4,743,812	$ 3,387,251	$ 3,205,837	$ 2,967,892	$ 14,304,792	$ 1,620,645	$ 991,786	$ 2,612,431	$ 16,917,223

See accompanying notes to financial statements.

National Immigration Law Center

Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 2,036,965	$ 6,340,245
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Realized and unrealized gain on investments	(324,462)	(369,693)
Change in discount on long-term receivables	20,294	(60,790)
Depreciation and amortization of property and equipment	94,484	94,623
Loss on disposal of property and equipment	11,782	-
Amortization of operating lease right-of-use asset	224,868	391,105
Decrease (increase) in:		
Grants and contributions receivable	2,065,668	3,188,110
Other receivables	(49,849)	52,951
Due from related party	644,424	(364,065)
Prepaid expenses and other assets	(118,640)	(34,595)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(173,619)	157,550
Accrued salaries and related benefits	48,079	47,058
Deferred revenue	-	8,333
Operating lease liability	(251,581)	(91,213)
Net cash provided by operating activities	4,228,413	9,359,619
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	25,690,075	18,343,137
Purchases of investments	(31,048,695)	(27,388,476)
Net cash used by investing activities	(5,358,620)	(9,045,339)
Net (decrease) increase in cash and cash equivalents	(1,130,207)	314,280
Cash and cash equivalents at beginning of year	4,031,621	3,717,341
Cash and Cash Equivalents at End of Year	$ 2,901,414	$ 4,031,621
SUPPLEMENTAL INFORMATION:		
Donated Securities	$ 167,644	$ 114,200

See accompanying notes to financial statements.

1. Summary of Significant Accounting Policies

Organization

Established in 1979, the National Immigration Law Center (NILC) is a California nonprofit public benefit corporation and one of the leading U.S. advocacy organizations dedicated to advancing and defending the rights and opportunities of low-income immigrants and their loved ones.

Working at the intersection of immigrant, economic, and racial justice, NILC pursues lasting, transformational change through impact litigation, policy advocacy, movement building, and narrative and culture change.

Program Service Descriptions

NILC delivers its mission through staff who work in four program departments. These activities are reported on the Statements of Functional Expenses. Legal and Policy staff challenge unjust legislation and rulings through a range of activities including amicus briefs, impact litigation, and advocacy. Other Programs include activities related to Narrative Change, the Immigrant Movement Visioning Project, and Strategic Communications. Narrative Change works to shift hearts and minds through art, storytelling, and culture to advance a just and equitable society. The Immigrant Movement Visioning Project engages diverse immigrant justice leaders to plan and articulate a long-term vision for the immigrant movement. The Strategic Communications team advances strategic priorities with compelling messages that reach their intended audiences. The Partnerships and Advocacy team runs campaigns, builds coalitions, and advocates at all levels of government for the interests of immigrants.

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets are reported in two classes: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions. NILC's Board designated net assets consisted solely of a reserve fund.

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. See Note 10 for details related to endowment funds.

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

NILC considers all highly liquid investments with maturities of three months or less, which are not part of the investment portfolio, to be cash and cash equivalents. Money market funds held by investment managers are excluded from cash and cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, NILC maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are presented in net investment return, which includes investment expenses paid to external investment advisors, in the accompanying Statements of Activities and Changes in Net Assets.

Grants and Contributions Receivable

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants and contributions receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. The discount rates ranged from 6.75% to 7.00%. Amortization of the discount is included in grants and contributions.

Management reviews grants and contributions receivable on a periodic basis. Each receivable balance is assessed based on management's knowledge of and relationship with the donor and the age of the receivable balance. As a result of these reviews, receivable balances for which collection is deemed doubtful are charged to loss on uncollectible grants and contributions and an allowance is recorded. However, an allowance for doubtful grants and contributions receivable has not been established.

Other Receivables

Other receivables primarily consist of accrued interest receivable, but also include amounts due within one year related to contracts with customers. Other receivables are recorded at their net realizable value which approximates fair value. Other receivables are presented net of an allowance for credit losses resulting from the inability of customers to make required payments. The allowance for credit losses is based upon historical loss experience in combination with current economic conditions and a forecast of future economic conditions. Any change in the assumptions used in analyzing a specific account receivable might result in an additional allowance for credit losses being recognized in the period in which the change occurs. However, NILC has not established an allowance for credit losses for receivables that are related to revenue from contracts with customers.

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment in excess of $5,000 are capitalized and stated at cost. Property and equipment are depreciated or amortized on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Impairment of Long-lived Assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is adjusted to fair value and a loss is recorded in the Statements of Activities and Changes in Net Assets.

Leases

NILC determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. NILC also considers whether its services agreements include the right to control the use of an asset.

NILC recognizes most leases on its Statements of Financial Position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria as defined by GAAP. NILC made an accounting policy election not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. However, NILC does not have any short-term leases. For all other leases, ROU assets and lease liabilities are measured based on the present value of lease payments over the term of the lease at the commencement or modification date.

NILC made the accounting policy election to use a risk-free discount rate, which is aligned with the lease term. NILC has made an accounting policy election that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes.

Income Taxes

NILC is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (IRC), as an organization described in IRC Section 501(c)(3). NILC has no unrelated business taxable income. Accordingly, no provision for income taxes has been made in the accompanying financial statements. NILC is not a private foundation.

1. Summary of Significant Accounting Policies (Continued)

Support from Grants and Contributions

NILC recognizes grants and contributions when assets are received or unconditionally promised. Each agreement is evaluated to determine whether it is a nonreciprocal contribution within ASC Topic 958 or a reciprocal exchange transaction accounted for under other applicable guidance.

Support from grants and contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Grants and contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional grants and contributions contain a right of return and a measurable barrier. Grants and contributions are recognized when conditions have been satisfied. Conditional grants and contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, NILC had no refundable advances as of June 30, 2026 and 2025.

In addition, NILC may obtain funding source agreements related to conditional grants and contributions, which will be received in future years. However, NILC had no conditional grants and contributions to be received in future years as of June 30, 2026 and 2025.

Revenue from Contracts with Customers

NILC’s revenue from contracts is the most significant revenue stream that is treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met, which is typically at the point in time that the services are provided. NILC has elected to opt out of all disclosures not required for nonpublic entities. Transaction price is based on cost reimbursements for a Government contract and transaction price is based on sale price for a training contract. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. NILC’s contracts with customers generally have initial terms of one year or less.

There were no accounts receivable related to contracts with customers included in other receivables in the accompanying Statements of Financial Position as of June 30, 2026 and 2025. However, accounts receivable related to exchange transaction revenue totaled $27,547 as of July 1, 2024.

Deferred revenue related to contracts with customers totaled $25,000 as of June 30, 2026 and 2025. Deferred revenue related to exchange transaction revenue totaled $16,667 as of July 1, 2024.

1. Summary of Significant Accounting Policies (Continued)

Attorney Fees Awards

In conjunction with its program services activities, NILC participates in certain cases on behalf of the immigrant community. Attorney fees awards related to these cases are treated as gain contingencies in that they are recorded in the financial statements when the payments are received.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing NILC's programs and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services that benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and indirect expenses that benefited more than one functional area, such as salaries and related benefits, were allocated based on estimated time and effort.

Risks and Uncertainties

NILC invests in securities that are subject to interest-rate, market, and credit risks. Investment values may fluctuate, and such changes could materially affect amounts reported in the financial statements.

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, NILC has categorized its financial instruments, based on the priority of the inputs to the valuation technique, 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 hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market that NILC has the ability to access.

2. Investments and Fair Value Measurements (Continued)

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended June 30, 2026 and 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.

- *Common Stocks* - Valued at the closing price reported on the active market in which the individual securities are traded.

- *Mutual Funds and Exchange-Traded Funds (ETFs)* - Valued at the daily closing price as reported by the fund. Mutual funds and ETFs held by NILC are open-end funds that are registered with the SEC and are deemed to be actively traded. These funds are required to publish their daily value and to transact at that price.

- *Corporate Debt and U.S. Government Obligations* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.

A portion of NILC's investments are held in relation to the donor-restricted endowment fund, which is described in Note 10. Investments held in relation to the endowment fund totaled $2,019,222 and $1,472,277 as of June 30, 2026 and 2025, respectively.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2026:

	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Funds	$ 209,322	$ -	$ -	$ 209,322
Common Stocks	4,482,518	-	-	4,482,518
Mutual Funds and ETFs	12,746,490	-	-	12,746,490
Corporate Debt and U.S. Government Obligations	-	16,637,731	-	16,637,731
Total Investments	$ 17,438,330	$ 16,637,731	$ -	$ 34,076,061

2. Investments and Fair Value Measurements (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Funds	$ 5,452,211	$ -	$ -	$ 5,452,211
Common Stocks	3,501,540	-	-	3,501,540
Mutual Funds and ETFs	8,325,123	-	-	8,325,123
Corporate Debt and U.S. Government Obligations	-	11,114,105	-	11,114,105
Total Investments	$ 17,278,874	$ 11,114,105	$ -	$ 28,392,979

Net investment return consisted of the following for the years ended June 30, 2026 and 2025:

	2026	2025
Interest and dividends	$ 1,353,699	$ 1,106,433
Realized and unrealized gain on investments	324,462	369,693
Investment expenses	(91,168)	(88,083)
Net Investment Return	$ 1,586,993	$ 1,388,043

3. Grants and Contributions Receivable

Grants and contributions receivable are expected to be collected as follows as of June 30, 2026 and 2025:

	2026	2025
Less than one year	$ 862,332	$ 3,311,129
One to five years	887,500	504,371
Total	1,749,832	3,815,500
Less: Discount to net present value	(57,869)	(37,575)
Grants and Contributions Receivable, Net	$ 1,691,963	$ 3,777,925

4. Property and Equipment

Property and equipment consisted of the following as of June 30, 2026 and 2025:

	2026	2025
Furniture and equipment	$ 25,048	$ 268,620
Website	71,750	71,750
Leasehold improvements	425,150	425,150
Subtotal property and equipment	521,948	765,520
Less: Accumulated depreciation and amortization	(493,457)	(630,763)
Property and Equipment, Net	$ 28,491	$ 134,757

5. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30, 2026 and 2025:

	2026	2025
Purpose restricted	$ 2,369,073	$ 9,178,760
Time restricted	5,327,886	5,430,446
Endowment fund	2,019,222	1,472,277
Net Assets with Donor Restrictions	$ 9,716,181	$ 16,081,483

Net assets released from donor restrictions consisted of the following during the years ended June 30, 2026 and 2025:

	2026	2025
Purpose restrictions accomplished	$ 5,624,810	$ 8,483,972
Time restrictions expired	5,534,558	7,125,989
Net Assets Released from Donor Restrictions	$ 11,159,368	$ 15,609,961

6. Liquidity and Availability

Financial assets available for use for general expenditures within one year of the date of the Statements of Financial Position comprise the following as of June 30, 2026 and 2025:

	2026	2025
Cash and cash equivalents	$ 2,901,414	$ 4,031,621
Investments	34,076,061	28,392,979
Grants and contributions receivable, net	1,691,963	3,777,925
Other receivables	165,194	115,345
Due from related party	26,239	670,663
Subtotal financial assets	38,860,871	36,988,533
Less: Board designated net assets	(7,397,832)	(7,397,832)
Less: Net assets with donor restrictions	(9,716,181)	(16,081,483)
Financial Assets Available for Use Within One Year	$ 21,746,858	$ 13,509,218

NILC has a policy to structure its financial assets to be available and liquid as its obligations become due.

7. Leases

NILC has an operating lease agreement for office space in Washington, D.C. which currently expires on December 31, 2031. The lease includes a 100% rent abatement during the first seven months and an escalation of base rentals both of which are being amortized on a basis to achieve straight-line rent expense over the life of the lease. In addition, NILC received a tenant improvement allowance of $425,150 for leasehold improvements. The tenant improvement allowance is being amortized as a credit to lease expense over the term of the lease. NILC used a discount rate of 2.95% to calculate the operating ROU asset and lease liability.

Lease cost is included in Occupancy expense in the accompanying Statements of Functional Expenses and totaled $323,869 and $327,709 for the years ended June 30, 2026 and 2025, respectively. Total cash paid for the operating lease was $344,165 and $30,598 for the years ended June 30, 2026 and 2025, respectively.

The following is a schedule of the future minimum lease payments due under the operating lease, net of imputed interest, as of June 30, 2026:

2027	$ 385,804
2028	395,467
2029	405,361
2030	415,488
2031	425,846
Thereafter	218,256
	2,246,222
Less: Imputed interest	(250,880)
Operating Lease Liability	$ 1,995,342

7. Leases (Continued)

NILC also subleases a portion of its office space. Sublease income totaled $18,765 and $18,793 for the years ended June 30, 2026 and 2025, respectively.

The following is a schedule of the future minimum lease payments under the subleases:

2027	$	18,765
2028		1,564
Total	$	20,329

8. Retirement Plan

NILC has a tax deferred annuity retirement plan under Internal Revenue Code Section 403(b) (the Plan), which covers all eligible employees as of their first day of employment. NILC may make a non-elective employer contribution of up to 4% of annual compensation. NILC's contributions to the Plan are included in Salaries and related benefits in the accompanying Statements of Functional Expenses and totaled $372,334 and $316,243 during the years ended June 30, 2026 and 2025, respectively.

9. Related Party Transactions

The Board of Directors of NILC established the NILC Immigrant Justice Fund (IJF) as a nonprofit public benefit corporation in accordance with the laws of California. NILC amended its bylaws to eliminate its role in appointing IJF directors. NILC does not have an economic interest in IJF because IJF does not exist for the benefit of NILC and IJF is not a fundraising entity for NILC. While the parties share staff, office space, furniture, and equipment, IJF and NILC have a Resource Sharing Agreement that supports the allocation of expenses associated with the use of shared resources. Consolidated financial statements are not required because both control and economic interest are not present.

The following describes the transactions between NILC and IJF:

NILC did not grant funds to IJF during the year ended June 30, 2026. NILC awarded IJF $250,000 for the year ended June 30, 2025.

NILC charged IJF for shared resources totaling $69,260 and $361,051 during the years ended June 30, 2026 and 2025, respectively. In addition, NILC pays certain expenses on behalf of IJF, which are reimbursed by IJF.

As a result of transactions with IJF, NILC reported an amount due from related party totaling $26,239 and $670,663 as of June 30, 2026 and 2025, respectively, which has been included in the Statements of Financial Position.

10. Endowment Fund

NILC's endowment fund consists of a donor-restricted endowment fund. The original gift is to be held in perpetuity and the earnings thereon are to be used for general operations. As required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. The net investment return on the fund is not restricted by the donor. However, U.S. GAAP requires an implied time restriction on the net investment return until appropriated by the Board of Directors.

Interpretation of Relevant Law -

NILC has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by Washington, D.C. as requiring the preservation of the fair value of the original gift made to the donor-restricted endowment funds, absent explicit donor stipulations to the contrary.

As a result of this interpretation, NILC classifies as net assets with donor restrictions: (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.

Additionally, in accordance with UPMIFA, NILC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Return Objectives and Risk Parameters -

NILC 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 NILC must hold in perpetuity or for a donor-specified period.

Strategies Employed for Achieving Objectives -

Specifically, the primary objective in the investment management of the fund shall be:

Long–Term Growth of Capital - To emphasize the long-term growth of principal while avoiding excessive risk. Short–term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.

10. Endowment Fund (Continued)

Strategies Employed for Achieving Objectives (continued) -

Preservation of Purchasing Power - To achieve returns in excess of the rate of inflation plus spending over the investment time horizon in order to preserve purchasing power of the endowment assets. Risk control is a principal element in the investment of assets.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The assets of the funds shall be managed in such a way as to facilitate NILC's goals and objectives as outlined by the Board of Directors. The principal is permanent and irrevocable; thus, it can never be spent. At the discretion of the Board of Directors, up to 100% of the annual total return may be utilized for program and agency expenses unless restricted for specific purposes by the donor(s).

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires NILC to retain as a fund of perpetual duration. There were no deficiencies of this nature as of June 30, 2026 and 2025.

The endowment fund consisted of the following as of June 30, 2026:

	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Donor-Restricted Fund	$ 1,019,222	$ 1,000,000	$ 2,019,222

Changes in the endowment fund consisted of the following as of and for the year ended June 30, 2026:

	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Endowment fund, beginning of year	$ 472,277	$ 1,000,000	$ 1,472,277
Net investment return	546,945	-	546,945
Endowment Fund, End of Year	$ 1,019,222	$ 1,000,000	$ 2,019,222

10. Endowment Fund (Continued)

The endowment fund consisted of the following as of June 30, 2025:

	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Donor-Restricted Fund	$ 472,277	$ 1,000,000	$ 1,472,277

Changes in the endowment fund consisted of the following as of and for the year ended June 30, 2025:

	With Donor Restrictions: Available for Appropriation	With Donor Restrictions: Held in Perpetuity	Total
Endowment fund, beginning of year	$ 235,242	$ 1,000,000	$ 1,235,242
Net investment return	237,035	-	237,035
Endowment Fund, End of Year	$ 472,277	$ 1,000,000	$ 1,472,277

11. Protecting Immigrant Families (PIF) Program Transfer

In October 2025, NILC entered into an agreement with New Venture Fund (NVF) to transfer the PIF program, including its assets, liabilities, and operations. In addition to transferring PIF's net assets to NVF, NILC returned certain unspent PIF funds directly to donors. The transition of program activities from NILC to NVF began on December 1, 2025, following the completion of the assignment of all related assets and liabilities to NVF as of November 30, 2025. The transfer of the remaining balance of the PIF net assets occurred during the year ended June 30, 2026. The following provides a summary of the PIF program transfer as of and for the year ended June 30, 2026:

PIF net assets with donor restrictions, beginning of year	$ 5,804,009
Net assets released from donor restrictions - purpose accomplished	(1,081,092)
Refunds to donors and write offs of receivables	(3,330,000)
Transfer of PIF net assets with donor restrictions to NVF	(1,392,917)
PIF Net Assets with Donor Restrictions, End of Year	$ -

12. Subsequent Events

In preparing these financial statements, NILC has evaluated events and transactions for potential recognition or disclosure through November 12, 2026, the date the financial statements were issued.