



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

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2023

(With Summarized Comparative Information for the Year Ended December 31, 2022)

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

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December 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
National Immigration Forum, Inc. and Affiliate

### Opinion

We have audited the accompanying consolidated financial statements of National Immigration Forum, Inc. and Affiliate (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

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

### Adoption of New Accounting Standards

As disclosed in Note 2 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board Accounting Standard Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Finance Instruments*. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Consolidated Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



### **Report on Summarized Comparative Information**

We have previously audited the Organization's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

*HAN GROUP LLC*

**HAN GROUP LLC**

Washington, DC

June 14, 2024

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

Consolidated Statement of Financial Position

December 31, 2023

(With Summarized Comparative Information for 2022)

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	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,437,841	\$ 2,373,487
Investments	8,078,305	6,723,925
Accounts receivable	25,000	40,000
Contributions and grants receivable	428,880	814,508
Prepaid expenses and deposits	28,178	45,695
Property and equipment, net	151,995	156,554
Right-of-use-assets – operating lease	<u>2,617,282</u>	<u>2,890,966</u>
Total assets	<u>\$ 12,767,481</u>	<u>\$ 13,045,135</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 396,682	\$ 371,941
Deferred revenue	-	70,000
Operating lease liability	<u>3,048,559</u>	<u>3,287,491</u>
Total liabilities	<u>3,445,241</u>	<u>3,729,432</u>
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	3,820,676	3,792,902
Board designated	<u>594,691</u>	<u>571,697</u>
Total without donor restrictions	4,415,367	4,364,599
With donor restrictions	<u>4,906,873</u>	<u>4,951,104</u>
Total net assets	<u>9,322,240</u>	<u>9,315,703</u>
Total liabilities and net assets	<u>\$ 12,767,481</u>	<u>\$ 13,045,135</u>

See accompanying notes.

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

Consolidated Statement of Activities

Year Ended December 31, 2023

(With Summarized Comparative Information for 2022)

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue and Support</b>				
Contributions and grants	\$ 277,585	\$ 6,415,870	\$ 6,693,455	\$ 5,404,800
Program service income	229,052	-	229,052	155,346
Awards event	195,500	-	195,500	195,000
Investment income, net	175,573	-	175,573	51,533
Other income	1,695	-	1,695	18,050
Net assets released from restrictions:				
Expiration of time restrictions	3,138,018	(3,138,018)	-	-
Satisfaction of purpose restrictions	3,322,083	(3,322,083)	-	-
Total revenue and support	7,339,506	(44,231)	7,295,275	5,824,729
<b>Expenses</b>				
Program services:				
Constituencies – reform	2,137,850	-	2,137,850	2,008,344
Constituencies – integration	1,330,973	-	1,330,973	1,178,258
Communications	1,280,538	-	1,280,538	1,432,802
Policy	1,145,729	-	1,145,729	1,178,508
Awards event	370,585	-	370,585	251,432
Associates and governance	127,779	-	127,779	215,103
Total program services	6,393,454	-	6,393,454	6,264,447
Supporting services:				
Management and general	393,586	-	393,586	303,486
Fundraising	501,698	-	501,698	457,074
Total supporting services	895,284	-	895,284	760,560
Total expenses	7,288,738	-	7,288,738	7,025,007
<b>Change in Net Assets</b>	50,768	(44,231)	6,537	(1,200,278)
<b>Net Assets</b> , beginning of year	4,364,599	4,951,104	9,315,703	10,515,981
<b>Net Assets</b> , end of year	\$ 4,415,367	\$ 4,906,873	\$ 9,322,240	\$ 9,315,703

See accompanying notes.

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

Consolidated Statement of Functional Expenses

Year Ended December 31, 2023

(With Summarized Comparative Information for 2022)

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	2023					
	Program Services					
	Constituencies - Reform	Constituencies - Integration	Communi- cations	Policy	Awards Event	Associates and Governance
Salaries and related expenses	\$ 608,787	\$ 833,045	\$ 877,957	\$ 738,702	\$ 123,021	\$ 60,865
Professional fees	1,190,923	337,356	132,595	265,745	53,142	32,189
Travel and conference	105,791	39,632	21,973	23,894	168,428	24,525
Occupancy	50,104	67,943	72,402	60,949	9,993	4,987
Dues and publications	113,795	23,016	82,321	30,539	3,263	923
Advertising	40,976	-	65,392	-	-	-
Telephone	7,072	13,269	11,485	11,388	781	386
Depreciation	6,943	10,292	9,963	8,439	1,367	671
Other expenses	13,459	6,420	6,450	6,073	10,590	3,233
<b>Total Expenses</b>	<u>\$ 2,137,850</u>	<u>\$ 1,330,973</u>	<u>\$ 1,280,538</u>	<u>\$ 1,145,729</u>	<u>\$ 370,585</u>	<u>\$ 127,779</u>

See accompanying notes.



**NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE**  
Consolidated Statement of Functional Expenses (continued)  
Year Ended December 31, 2023  
(With Summarized Comparative Information for 2022)

	2023				2022	
	Total Program Services	Supporting Services		Total Supporting Services	Total	Total
		Management and General	Fundraising			
Salaries and related expenses	\$ 3,242,377	\$ 278,432	\$ 390,549	\$ 668,981	\$ 3,911,358	\$ 3,547,484
Professional fees	2,011,950	33,907	31,350	65,257	2,077,207	2,254,063
Travel and conference	384,243	344	8,375	8,719	392,962	374,517
Occupancy	266,378	37,804	32,620	70,424	336,802	325,354
Dues and publications	253,857	3,663	27,078	30,741	284,598	255,473
Advertising	106,368	-	-	-	106,368	83,971
Telephone	44,381	1,612	4,111	5,723	50,104	52,889
Depreciation	37,675	2,874	4,453	7,327	45,002	52,785
Other expenses	46,225	34,950	3,162	38,112	84,337	78,471
<b>Total Expenses</b>	<u>\$ 6,393,454</u>	<u>\$ 393,586</u>	<u>\$ 501,698</u>	<u>\$ 895,284</u>	<u>\$ 7,288,738</u>	<u>\$ 7,025,007</u>

See accompanying notes.

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

Consolidated Statement of Cash Flows

Year Ended December 31, 2023

(With Summarized Comparative Information for 2022)

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	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 6,537	\$ (1,200,278)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	45,002	52,785
Net realized and unrealized gain on investments	(173,465)	(51,169)
Noncash lease expenses	34,752	-
Change in the measurement of operating lease	-	144,612
Change in operating assets and liabilities:		
Accounts receivable	15,000	25,000
Contributions and grants receivable	385,628	548,827
Prepaid expenses and deposits	17,517	11,089
Accounts payable and accrued expenses	24,741	46,070
Deferred revenue	(70,000)	3,200
Net cash provided by (used in) operating activities	<u>285,712</u>	<u>(419,864)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	3,859,550	498,039
Purchases of investments	(5,040,465)	(155,135)
Purchases of property and equipment	(40,443)	(20,749)
Net cash (used in) provided by investing activities	<u>(1,221,358)</u>	<u>322,155</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(935,646)	(97,709)
<b>Cash and Cash Equivalents, beginning of year</b>	<u>2,373,487</u>	<u>2,471,196</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 1,437,841</u>	<u>\$ 2,373,487</u>

See accompanying notes.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2023

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### 1. Nature of Operations

National Immigration Forum, Inc. (the Forum), founded in 1982, is a nonprofit organization that embraces and upholds America's tradition as a nation of immigrants. The Forum advocates and builds public support for public policies that welcome immigrants and refugees and that are fair and supportive to newcomers in our country. The Forum employs a combination of advocacy, media work, targeted research, training, and public education to provide data to policymakers, the press, and the public about the contributions of immigrants to American society.

America is Better (AIB) (formerly National Immigration Forum Action Fund) was formed in 2009 for the purposes of increasing the profile of policy issues that affect immigrants and influencing federal legislation for the benefit of immigrants.

The Forum and AIB's activities are primarily supported through grants and contributions, program service income, and awards event.

### 2. Summary of Significant Accounting Policies

#### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Forum and AIB (collectively, the Organization) due to the presence of controlling interest in AIB by the Forum which requires consolidation under accounting principles generally accepted in the United States of America (GAAP). All significant intercompany balances and transactions have been eliminated in the consolidation.

#### Basis of Accounting and Presentation

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with GAAP. Consequently, revenue is recognized when earned and expenses are recorded when the obligation is incurred.

#### Adoption of New Accounting Standards

##### *Measurement of Credit Losses on Financial Instruments*

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB Accounting Standards Codification (ASC) Topic 326 were accounts receivable.

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

Notes to Consolidated Financial Statements

December 31, 2023

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

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

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in updated disclosures.

#### Cash and Cash Equivalents

The Organization considers all highly liquid instruments, which are to be utilized for current operations and which have an original maturity of three months or less, to be cash and cash equivalents. All other highly liquid instruments, which are to be used for the long-term purposes of the Organization, are classified as investments.

#### Accounts Receivable

Accounts receivable primarily consist of events receivable. Accounts receivable are presented 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, the Organization has historically had insignificant write-offs due to bad debt. At December 31, 2023, the allowance for credit losses was not recorded due to immateriality.

#### Contributions and Grants Receivable

Contributions and grants receivable represent amounts due from the Organization's various donors. The balance of contributions and grants receivable at December 31, 2023, has been deemed by management to be fully collectible within one year. If an amount becomes uncollectible, it is expensed when that determination is made.

#### Investments

Investments are measured at fair value and are composed of cash and money market funds and certificates of deposit. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest, dividends and realized and unrealized gains or losses are recorded as investment income when earned. Investment income is presented net of investment advisory and management fees on the accompanying consolidated statement of activities. Cash and money market funds held in the investment portfolios are included in investments on the accompanying consolidated statement of financial position.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2023

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

#### Property and equipment

Property and equipment over \$1,000 with a projected useful life exceeding one year are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is reported on the consolidated statement of activities, as appropriate.

#### Leases

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

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

#### Right-of-Use Assets

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

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2023

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

#### Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations. Included in net assets without donor restrictions are funds that have been designated by the Organization's Board of Directors for general reserve. At December 31, 2023, the board-designated reserve was \$594,691.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2023.

#### Revenue Recognition

##### *Contributions and Grants*

The majority of the Organization's revenue is received through contributions and grants considered to be contributions. Unconditional contributions and grants without conditions are recognized upon notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions and grants with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying consolidated statement of activities as net assets released from restrictions.

Contributions and grants that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. The Organization adopted the simultaneous release option for donor-restricted conditional contributions and grants that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Revenue recognized on contributions and grants, but has not been received, is reflected as contributions and grants receivable on the accompanying consolidated statement of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances on the accompanying consolidated statement of financial position. The Organization did not have any unrecognized conditional awards at December 31, 2023.

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

Notes to Consolidated Financial Statements

December 31, 2023

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

#### Revenue Recognition (continued)

##### *Program Service Income*

Program service income from contracts with customers is recognized at the time the Organization has fulfilled its performance obligation. Revenue from contracts based on time and materials is recognized over a period of time as costs are incurred. Revenue from contracts based on milestones or deliverables is recognized at the point in time at which the milestone is achieved or the deliverables are completed. Revenue recognized but not received is included in accounts receivable on the accompanying consolidated statement of financial position. Conversely, the amount received in advance of services is reported as deferred revenue on the accompanying consolidated statement of financial position. The Organization did not have any accounts receivable or deferred revenue at December 31, 2023.

##### *Awards Event*

Awards event revenue is recognized at the time the event occurs and are billed in advance. Revenue received by the Organization in advance of the events is recorded as deferred revenue. The Organization did not have any deferred event revenue at December 31, 2023.

#### Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying consolidated statement of activities. The consolidated statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, occupancy, telephone, and depreciation.

#### Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts reported on the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2023

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

#### Summarized Comparative Information

The accompanying consolidated financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

### 3. Concentrations

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash deposits and investments. The Organization maintains cash deposits and investments with various financial institutions that exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). The Organization has not experienced any losses on its cash deposits and investments to date as it relates to FDIC or SIPC insurance limits. Management periodically assesses the financial condition of the institutions and believes that the risk of any loss is minimal.

The Organization invests funds in a professionally managed portfolio of marketable securities. Such investments are exposed to market and credit risks. Therefore, the Organization's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported on the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

During the year ended December 31, 2023, the Forum received 27% of its revenue from two sources. In addition, amounts due from one source comprised 92% of the total accounts and contributions and grants receivable at December 31, 2023.

### 4. Investments

Investments consist of the following at December 31, 2023:

Cash and money market funds	\$ 4,091,608
Certificates of deposit	<u>3,986,697</u>
Total investments	<u>\$ 8,078,305</u>



## NATIONAL IMMIGRATION FORUM, INC. AND AFFILIATE

Notes to Consolidated Financial Statements

December 31, 2023

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### 5. Fair Value Measurements

The three levels of the fair value hierarchy for recurring fair value measurements are prioritized based on the inputs to valuation techniques used to measure fair value and are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 4,091,608	\$ -	\$ -	\$ 4,091,608
Certificates of deposit	<u>3,986,697</u>	<u>-</u>	<u>-</u>	<u>3,986,697</u>
Total investments at fair value	<u>\$ 8,078,305</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,078,305</u>

### 6. Property and Equipment

The Organization held the following property and equipment at December 31, 2023:

Furniture and equipment	\$ 765,134
Leasehold improvements	<u>491,482</u>
Total property and equipment	1,256,616
Less: accumulated depreciation	<u>(1,104,621)</u>
Property and equipment, net	<u>\$ 151,995</u>

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

Notes to Consolidated Financial Statements

December 31, 2023

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**7. Liquidity and Availability of Resources**

The following schedule reflects the Organization's financial assets as of December 31, 2023, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year.

Financial Assets:	
Cash and cash equivalents	\$ 1,437,841
Investments	8,078,305
Accounts receivable	25,000
Contributions and grants receivable	<u>428,880</u>
Total financial assets	9,970,026
Less: those unavailable for general expenditures within one year:	
Donor-imposed restrictions (purpose restricted)	<u>(2,451,438)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,518,588</u>

The Organization's policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization operates with a balanced budget and without any short or long-term non-operating debt. The Organization's Board of Directors had designated a portion of its net assets without donor restriction. While board-designated net assets are invested to achieve long-term appreciation in addition to current income, such funds remain available and may be spent within one year at the discretion of the Board of Directors. Thus, they are included in the total financial assets available for general expenditures within one year presented above. In addition, the Organization has \$450,000 available on its line of credit which it may draw upon should the need arise.

**8. Net Assets with Donor Restrictions**

Net assets with donor restrictions were restricted for the following at December 31, 2023:

Subject to passage of time	\$ 2,455,435
Subject to expenditure for specified purposes:	
Constituencies – integration and reform program	<u>2,451,438</u>
Total net assets with donor restrictions	<u>\$ 4,906,873</u>

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

Notes to Consolidated Financial Statements

December 31, 2023

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**8. Net Assets with Donor Restrictions (continued)**

During the year ended December 31, 2023, releases from net assets with donor restrictions were for the following:

Expiration of time restrictions	\$ 3,138,018
Satisfaction of purpose restrictions:	
Constituencies – integration and reform program	<u>3,322,083</u>
Total net assets released from donor restrictions	<u>\$ 6,460,101</u>

**9. Line of Credit**

In March 2015, the Organization obtained a line of credit of \$450,000. Under the terms of the line of credit, interest on the outstanding balance is calculated monthly using the one-month Bloomberg Short-Term Bank Yield Index rate plus a determined spread percentage of 2.38%. There is no termination date for the line of credit. There was no amount borrowed on the line of credit at December 31, 2023, and there were no draws or repayments during the year ended December 31, 2023.

**10. Leases**

In January 2021, the Organization entered into a lease agreement for office space in Washington, DC commencing in June 2021 and expiring in September 2032. The base rent increases annually based on scheduled increases provided for in the lease. The Organization received 50% rent abatement for the first 22 months of the lease.

The balance of ROU operating assets is as follows at December 31, 2023:

Operating lease ROU assets - building	\$ 3,162,177
Amortization of ROU operating assets - building	<u>(544,895)</u>
Net operating ROU assets	<u>\$ 2,617,282</u>

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

Notes to Consolidated Financial Statements

December 31, 2023

**10. Leases (continued)**

The table below presents a maturity analysis of the operating lease liability and a reconciliation of the total amount of the liability on the consolidated statement of financial position as of December 31, 2023:

For the year ended December 31:	
2024	\$ 340,190
2025	348,706
2026	357,417
2027	366,324
2028	375,502
Thereafter	<u>1,493,501</u>
Total future minimum lease payments	3,281,640
Less: amount of lease payments representing interest	<u>(233,081)</u>
Present value of future minimum lease payments	3,048,559
Less: current obligations under lease	<u>(292,662)</u>
Long-term lease obligations	<u>\$ 2,755,897</u>

For the year ended December 31, 2023, the ROU asset amortization and interest expense totaled approximately \$325,000 which was included in occupancy expense on the consolidated statement of functional expenses.

At December 31, 2023, the weighted average remaining lease term for the Organization's operating lease is 8.75 years.

Because the Organization generally does not have access to the rate implicit in the lease, it utilizes the practical expedient under ASC *Topic 842*, the risk-free rate from the US Treasury, as the discount rate. The weighted average discount rate associated with operating leases as of December 31, 2023 is 1.63%.

**11. Retirement Plan**

The Organization maintains a 401(k)-retirement plan (the Plan). Employees become eligible to participate once they have attained the age of eighteen and completed six months of service. Employer contributions to the Plan consist of discretionary amounts based on employee salary, years of service, and total salary of all the participants.

For the year ended December 31, 2023, the Organization contributed \$149,038 on behalf of its employees to the Plan which is included in salaries and related expenses on the accompanying consolidated statement of functional expenses.

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

Notes to Consolidated Financial Statements

December 31, 2023

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### **12. Income Taxes**

The Forum is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the Internal Revenue Code. AIB is exempt from the payment of income taxes on its exempt activities under Section 501(c)(4) of the Internal Revenue Code. No provision for federal or state income taxes is required for the year ended December 31, 2023, as the Organization had no taxable unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in *ASC Topic 740-10, Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2023, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

### **13. Subsequent Events**

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 14, 2024, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the consolidated financial statements.

## **SUPPLEMENTARY INFORMATION**

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

Consolidating Schedule of Financial Position

December 31, 2023

	<u>The Forum</u>	<u>AIB</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 347,687	\$ 1,090,154	\$ -	\$ 1,437,841
Investments	7,826,548	251,757	-	8,078,305
Accounts receivable	25,000	-	-	25,000
Contributions and grants receivable	428,880	-	-	428,880
Due from America is Better	21,905	-	(21,905)	-
Prepaid expenses and deposits	28,178	-	-	28,178
Property and equipment, net	151,995	-	-	151,995
Right-of-use assets – operating lease	<u>2,617,282</u>	<u>-</u>	<u>-</u>	<u>2,617,282</u>
Total assets	<u>\$ 11,447,475</u>	<u>\$ 1,341,911</u>	<u>\$ (21,905)</u>	<u>\$ 12,767,481</u>
<b>Liabilities and Net Assets</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 366,068	\$ 30,614	\$ -	\$ 396,682
Due to the Forum	-	21,905	(21,905)	-
Operating lease liability	<u>3,048,559</u>	<u>-</u>	<u>-</u>	<u>3,048,559</u>
Total liabilities	<u>3,414,627</u>	<u>52,519</u>	<u>(21,905)</u>	<u>3,445,241</u>
<b>Net Assets</b>				
Without donor restrictions:				
Undesignated	2,865,887	954,789	-	3,820,676
Board designated	<u>594,691</u>	<u>-</u>	<u>-</u>	<u>594,691</u>
Total without donor restrictions	3,460,578	954,789	-	4,415,367
With donor restrictions	<u>4,572,270</u>	<u>334,603</u>	<u>-</u>	<u>4,906,873</u>
Total net assets	<u>8,032,848</u>	<u>1,289,392</u>	<u>-</u>	<u>9,322,240</u>
Total liabilities and net assets	<u>\$ 11,447,475</u>	<u>\$ 1,341,911</u>	<u>\$ (21,905)</u>	<u>\$ 12,767,481</u>

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

Consolidating Schedule of Activities

Year Ended December 31, 2023

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	<u>The Forum</u>	<u>AIB</u>	<u>Eliminations</u>	<u>Total</u>
<b>Revenue and Support</b>				
Contributions and grants	\$ 6,082,585	\$ 610,870	\$ -	\$ 6,693,455
Program service income	229,052	-	-	229,052
Awards event	185,500	10,000	-	195,500
Investment income, net	173,593	1,980	-	175,573
Other income	1,695	-	-	1,695
Total revenue and support	<u>6,672,425</u>	<u>622,850</u>	<u>-</u>	<u>7,295,275</u>
<b>Expenses</b>				
Program services:				
Constituencies – reform	1,817,906	319,944	-	2,137,850
Constituencies – integration	1,330,973	-	-	1,330,973
Communications	1,131,718	148,820	-	1,280,538
Policy	934,139	211,590	-	1,145,729
Awards event	348,706	21,879	-	370,585
Associates and governance	118,970	8,809	-	127,779
Total program services	<u>5,682,412</u>	<u>711,042</u>	<u>-</u>	<u>6,393,454</u>
Supporting services:				
Management and general	348,599	44,987	-	393,586
Fundraising	452,841	48,857	-	501,698
Total supporting services	<u>801,440</u>	<u>93,844</u>	<u>-</u>	<u>895,284</u>
Total expenses	<u>6,483,852</u>	<u>804,886</u>	<u>-</u>	<u>7,288,738</u>
<b>Change in Net Assets</b>	188,573	(182,036)	-	6,537
<b>Net Assets</b> , beginning of year	<u>7,844,275</u>	<u>1,471,428</u>	<u>-</u>	<u>9,315,703</u>
<b>Net Assets</b> , end of year	<u>\$ 8,032,848</u>	<u>\$ 1,289,392</u>	<u>\$ -</u>	<u>\$ 9,322,240</u>



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

Schedule of Functional Expenses – National Immigration Forum, Inc.

Year Ended December 31, 2023

	Program Services						Supporting Services			Total	
	Consti- tuencies - Reform	Consti- tuencies - Integration	Communi- cations	Policy	Awards Event	Associates and Governance	Total Program Services	Management and General	Fundraising		Total Supporting Service
Salaries and related expenses	\$ 552,674	\$ 833,045	\$ 791,959	\$ 670,425	\$ 108,526	\$ 53,306	\$ 3,009,935	\$ 248,292	\$ 353,788	\$ 602,080	\$ 3,612,015
Professional fees	949,182	337,356	97,265	131,888	52,748	31,983	1,600,422	25,218	24,349	49,567	1,649,989
Travel and conference	93,883	39,632	21,973	23,894	163,440	24,525	367,347	344	8,375	8,719	376,066
Occupancy	45,603	67,943	65,633	55,496	8,849	4,386	247,910	35,776	29,683	65,459	313,369
Dues and publications	111,293	23,016	73,054	27,696	2,660	608	238,327	2,606	25,545	28,151	266,478
Advertising	40,976	-	55,392	-	-	-	96,368	-	-	-	96,368
Telephone	6,691	13,269	10,903	10,924	683	335	42,805	1,438	3,861	5,299	48,104
Depreciation	6,943	10,292	9,963	8,439	1,367	671	37,675	2,874	4,453	7,327	45,002
Other expenses	10,661	6,420	5,576	5,377	10,433	3,156	41,623	32,051	2,787	34,838	76,461
<b>Total Expenses</b>	<u>\$ 1,817,906</u>	<u>\$ 1,330,973</u>	<u>\$ 1,131,718</u>	<u>\$ 934,139</u>	<u>\$ 348,706</u>	<u>\$ 118,970</u>	<u>\$ 5,682,412</u>	<u>\$ 348,599</u>	<u>\$ 452,841</u>	<u>\$ 801,440</u>	<u>\$ 6,483,852</u>

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

Schedule of Functional Expenses – America is Better

Year Ended December 31, 2023

	Program Services						Supporting Services			Total	
	Consti- tuencies - Reform	Consti- tuencies - Integration	Communi- cations	Policy	Awards Event	Associates and Governance	Total Program Services	Management and General	Fundraising		Total Supporting Service
Salaries and related expenses	\$ 46,478	\$ -	\$ 71,263	\$ 56,534	\$ 12,003	\$ 6,258	\$ 192,536	\$ 25,777	\$ 30,430	\$ 56,207	\$ 248,743
Professional fees	241,741	-	35,330	133,857	394	206	411,528	8,689	7,001	15,690	427,218
Travel and conference	11,908	-	-	-	4,988	-	16,896	-	-	-	16,896
Occupancy	4,501	-	6,769	5,453	1,144	601	18,468	2,028	2,937	4,965	23,433
Dues and publications	2,502	-	9,267	2,843	603	315	15,530	1,057	1,533	2,590	18,120
Advertising	-	-	10,000	-	-	-	10,000	-	-	-	10,000
Telephone	381	-	582	464	98	51	1,576	174	250	424	2,000
Other expenses	2,798	-	874	696	157	77	4,602	2,899	375	3,274	7,876
Overhead	9,635	-	14,735	11,743	2,492	1,301	39,906	4,363	6,331	10,694	50,600
<b>Total Expenses</b>	<u>\$ 319,944</u>	<u>\$ -</u>	<u>\$ 148,820</u>	<u>\$ 211,590</u>	<u>\$ 21,879</u>	<u>\$ 8,809</u>	<u>\$ 711,042</u>	<u>\$ 44,987</u>	<u>\$ 48,857</u>	<u>\$ 93,844</u>	<u>\$ 804,886</u>