FINANCIAL STATEMENTS

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

CLINIC

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Catholic Legal Immigration Network, Inc.
Silver Spring, Maryland

Opinion

We have audited the accompanying financial statements of Catholic Legal Immigration Network, Inc. (CLINIC), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 CLINIC as of December 31, 2024 and 2023, 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. 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 CLINIC 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 CLINIC'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 generally accepted auditing standards will always detect a material misstatement when it exists.

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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, including omissions, 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 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 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 CLINIC'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 CLINIC'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.

Gelman Rozenberg & Freedman

June 15, 2025

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 659,070	$ 586,465
Investments	15,472,356	15,661,843
Accounts receivable	24,582	21,917
Grant and contributions receivable	845,440	1,365,015
Prepaid expense and other assets	254,047	155,157
Total current assets	17,255,495	17,790,397
PROPERTY AND EQUIPMENT		
Property and equipment, net	560,729	334,896
NONCURRENT ASSETS		
Right-of-use asset, net	423,474	519,372
TOTAL ASSETS	**$ 18,239,698**	**$ 18,644,665**

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 709,520	$ 1,307,707
Deferred revenue	234,435	152,156
Refundable advances	3,552,955	3,413,319
Lease liability	106,076	89,659
Total current liabilities	4,602,986	4,962,841
NONCURRENT LIABILITIES		
Lease liability, net	361,624	467,700
Total liabilities	4,964,610	5,430,541
NET ASSETS		
Without donor restrictions		
Undesignated	9,884,014	9,260,774
Board designated	2,197,006	2,191,373
Total net assets without donor restrictions	12,081,020	11,452,147
With donor restrictions	1,194,068	1,761,977
Total net assets	13,275,088	13,214,124
TOTAL LIABILITIES AND NET ASSETS	**$ 18,239,698**	**$ 18,644,665**

See accompanying notes to financial statements.

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions	$ 2,198,069	$ 175,861	$ 2,373,930
Federal and State awards	15,769,711	-	15,769,711
Religous contracts	1,443,850	-	1,443,850
Net investment return	1,234,898	-	1,234,898
Training and seminars	1,378,804	-	1,378,804
United States Conference of Catholic Bishops (USCCB) Support	1,221,418	-	1,221,418
Professional service fees	967,827	-	967,827
Membership dues	641,260	-	641,260
Contributed non-financial assets	102,987	-	102,987
Net assets released from donor restrictions	743,770	(743,770)	-
Total support and revenue	25,702,594	(567,909)	25,134,685
EXPENSES			
Program Services:			
Education and Network Growth	19,452,607	-	19,452,607
Direct Representation and Litigation	1,662,926	-	1,662,926
Advocacy and Community Engagement	1,391,428	-	1,391,428
Total program services	22,506,961	-	22,506,961
Supporting Services:			
Management and General	2,099,097	-	2,099,097
Fundraising and Development	467,663	-	467,663
Total supporting services	2,566,760	-	2,566,760
Total expenses	25,073,721	-	25,073,721
Changes in net assets	628,873	(567,909)	60,964
Net assets at beginning of year	11,452,147	1,761,977	13,214,124
NET ASSETS AT END OF YEAR	$ 12,081,020	$ 1,194,068	$ 13,275,088

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and contributions	$ 2,253,472	$ 1,536,500	$ 3,789,972
Federal and State awards	7,186,406	-	7,186,406
Religous contracts	1,388,350	-	1,388,350
Net investment return	1,353,444	-	1,353,444
Training and seminars	1,071,155	-	1,071,155
United States Conference of Catholic Bishops (USCCB) Support	787,866	-	787,866
Membership dues	553,940	-	553,940
Professional service fees	762,117	-	762,117
Contributed non-financial assets	473,708	-	473,708
Net assets released from donor restrictions	380,754	(380,754)	-
Total support and revenue	16,211,212	1,155,746	17,366,958
EXPENSES			
Program Services:			
Education and Network Growth	11,728,654	-	11,728,654
Direct Representation and Litigation	1,547,254	-	1,547,254
Advocacy and Community Engagement	1,355,462	-	1,355,462
Total program services	14,631,370	-	14,631,370
Supporting Services:			
Management and General	2,020,027	-	2,020,027
Fundraising and Development	483,190	-	483,190
Total supporting services	2,503,217	-	2,503,217
Total expenses	17,134,587	-	17,134,587
Changes in net assets	(923,375)	1,155,746	232,371
Net assets at beginning of year	12,375,522	606,231	12,981,753
NET ASSETS AT END OF YEAR	**$ 11,452,147**	**$ 1,761,977**	**$ 13,214,124**

See accompanying notes to financial statements.

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services				Supporting Services			
	Education and Network Growth	Direct Representation and Litigation	Advocacy and Community Engagement	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total Expenses
Salaries	$ 3,423,200	$ 1,113,219	$ 946,846	$ 5,483,265	$ 1,345,688	$ 278,476	$ 1,624,164	$ 7,107,429
Payroll taxes and benefits	797,576	236,234	245,283	1,279,093	259,241	60,085	319,326	1,598,419
Total personnel cost	4,220,776	1,349,453	1,192,129	6,762,358	1,604,929	338,561	1,943,490	8,705,848
Subgrants	14,408,014	-	-	14,408,014	-	12,000	12,000	14,420,014
Convening	218,484	46,162	80,224	344,870	79,132	41,288	120,420	465,290
IT services, equipment and software	142,951	44,171	36,818	223,940	131,924	8,545	140,469	364,409
Professional services, temporary staff, and consultants	32,418	109,787	19,811	162,016	48,134	3,965	52,099	214,115
Staff development	39,184	9,083	6,568	54,835	95,919	2,451	98,370	153,205
Occupancy	57,947	21,337	17,971	97,255	27,265	3,702	30,967	128,222
Travel	49,800	7,032	8,512	65,344	24,562	22,695	47,257	112,601
Subscriptions, books and reference materials	58,668	26,987	1,835	87,490	2,160	8,705	10,865	98,355
Training and program materials	78,745	466	178	79,389	1,829	231	2,060	81,449
Bank charges and credit card fees	60,693	9,345	-	70,038	2,067	2,707	4,774	74,812
Audit and accounting	-	-	-	-	51,548	-	51,548	51,548
Insurance	24,307	7,676	7,454	39,437	8,966	2,079	11,045	50,482
Depreciation and amortization	17,167	6,448	5,431	29,046	8,042	1,112	9,154	38,200
Licenses and practice related fees	19,564	7,628	2,057	29,249	730	263	993	30,242
Postage, shipping and freight	3,217	10,145	645	14,007	2,259	1,169	3,428	17,435
Program development and marketing	9	1,678	7,333	9,020	22	7,738	7,760	16,780
Communication	7,286	1,744	1,492	10,522	3,243	386	3,629	14,151
Office supplies	5,827	1,053	669	7,549	1,624	485	2,109	9,658
Reports and state filing fees	-	-	-	-	-	9,107	9,107	9,107
Printing and duplication	3,973	1,483	1,249	6,705	1,872	259	2,131	8,836
Building maintenance and other	2,186	726	612	3,524	906	125	1,031	4,555
Equipment rental and maintenance	1,391	522	440	2,353	651	90	741	3,094
Miscellaneous	-	-	-	-	1,313	-	1,313	1,313
TOTAL	**$ 19,452,607**	**$ 1,662,926**	**$ 1,391,428**	**$ 22,506,961**	**$ 2,099,097**	**$ 467,663**	**$ 2,566,760**	**$ 25,073,721**

See accompanying notes to financial statements.

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services				Supporting Services			
	Education and Network Growth	Direct Representation and Litigation	Advocacy and Community Engagement	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	Total Expenses
Salaries	$ 2,655,480	$ 1,007,807	$ 825,401	$ 4,488,688	$ 1,262,613	$ 307,620	$ 1,570,233	$ 6,058,921
Employee benefits	534,400	191,510	161,629	887,539	170,403	41,514	211,917	1,099,456
Payroll taxes	204,474	76,620	61,876	342,970	93,902	22,809	116,711	459,681
Total personnel cost	3,394,354	1,275,937	1,048,906	5,719,197	1,526,918	371,943	1,898,861	7,618,058
Subgrants	7,076,101	-	-	7,076,101	-	24,000	24,000	7,100,101
Professional services, temporary staff, and consultants	526,214	22,457	47,849	596,520	151,778	11,530	163,308	759,828
IT services, equipment and software	115,010	52,463	46,130	213,603	104,161	13,340	117,501	331,104
Convening	204,583	37,473	59,404	301,460	7,244	3,613	10,857	312,317
Occupancy	84,175	66,030	53,245	203,450	72,155	24,518	96,673	300,123
Staff development	54,893	13,910	17,879	86,682	45,564	2,546	48,110	134,792
Travel	77,599	5,047	12,351	94,997	16,147	8,522	24,669	119,666
Subscriptions, books and reference materials	51,250	23,588	5,109	79,947	140	1,924	2,064	82,011
Bank charges and credit card fees	39,201	3,806	3,902	46,909	2,621	2,962	5,583	52,492
Insurance	21,210	7,719	6,783	35,712	8,519	2,381	10,900	46,612
Training and program materials	24,177	198	18,167	42,542	-	-	-	42,542
Audit and accounting	-	-	-	-	42,476	-	42,476	42,476
Depreciation and amortization	15,541	7,591	5,964	29,096	10,620	1,941	12,561	41,657
Printing and duplication	6,979	7,650	5,949	20,578	9,629	2,291	11,920	32,498
Licenses and practice related fees	16,981	7,070	1,866	25,917	1,419	306	1,725	27,642
Program development and marketing	4,400	1,358	16,485	22,243	500	229	729	22,972
Communication	8,823	3,279	2,581	14,683	4,784	818	5,602	20,285
Postage, shipping and freight	1,114	8,712	582	10,408	6,472	1,134	7,606	18,014
Reports and state filing fees	-	-	-	-	-	7,838	7,838	7,838
Office supplies	3,298	1,137	697	5,132	1,455	896	2,351	7,483
Building maintenance and other	1,886	984	822	3,692	1,337	253	1,590	5,282
Bad debt	-	-	-	-	4,274	-	4,274	4,274
Equipment rental and maintenance	865	845	791	2,501	1,306	205	1,511	4,012
Miscellaneous	-	-	-	-	508	-	508	508
TOTAL	**$ 11,728,654**	**$ 1,547,254**	**$ 1,355,462**	**$ 14,631,370**	**$ 2,020,027**	**$ 483,190**	**$ 2,503,217**	**$ 17,134,587**

See accompanying notes to financial statements.

CATHOLIC LEGAL IMMIGRATION NETWORK, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 60,964	$ 232,371
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	38,200	41,657
Net appreciation in fair value of investments	(815,720)	(852,605)
Amortization of right-of-use asset	95,898	39,353
(Increase) decrease in:		
Accounts receivable	(2,665)	(4,171)
Grant and contributions receivable	519,575	(897,320)
Prepaid expense and other assets	(98,890)	(33,084)
(Decrease) increase in:		
Accounts payable and accrued liabilities	(598,187)	339,264
Deferred revenue	82,279	(107,244)
Refundable advances	139,636	3,357,210
Lease liability	(89,659)	(23,561)
Net cash (used) provided by operating activities	(668,569)	2,091,870
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(9,931,005)	(18,267,637)
Proceeds from sale of investments	10,936,212	16,691,382
Purchases of property and equipment	(264,033)	(336,680)
Net cash provided (used) by investing activities	741,174	(1,912,935)
Net increase in cash and cash equivalents	72,605	178,935
Cash and cash equivalents at beginning of year	586,465	407,530
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 659,070**	**$ 586,465**
SUPPLEMENTAL TRANSACTIONAL INFORMATION:		
Right-of-Use-Asset	**$ -**	**$ 558,725**
Lease Liability	**$ -**	**$ 558,725**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Catholic Legal Immigration Network, Inc. (CLINIC) is a public interest legal organization incorporated on August 18, 1988 in the District of Columbia. CLINIC serves low income immigrants through support to a national network of Catholic and community-based legal immigration programs, and administration of national projects. In addition, CLINIC provides representation in the area of religious immigration law.

CLINIC is governed by a Board comprised primarily of bishops. CLINIC is funded by the United States Conference of Catholic Bishops (USCCB) and other grants and contributions.

CLINIC operates three major programs, Education and Network Growth, Direct Representation and Litigation, and Advocacy and Community Engagement.

Education and Network Growth: This program was established to guide non-profit organization leaders to begin or expand charitable immigration legal services, equip non-profit immigration legal representatives with training on immigration law and program management skills, and manage projects serving vulnerable immigrants delivered by local non-profit organizations benefiting from CLINIC's structure, oversight and commitment to Catholic Social Teaching.

Direct Representation and Litigation: This program consists of legal services provided to clients before the United States Citizenship and Immigration Services, Immigration Court, the Board of Immigration Appeals, and in Federal court.

Advocacy and Community Engagement: This program educates the public on immigration issues, engages Government on immigration, individual and policy related matters, and promote positive resolutions.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: 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.

- **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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Cash and cash equivalents -

CLINIC considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding money market funds held by investment managers in the amounts of $3,134,019 and $4,251,042 as of December 31, 2024 and 2023, respectively. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of $250,000. At times during the year, CLINIC 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 included in net investment return, which is presented net of investment expenses paid to external investment advisors in the accompanying Statements of Activities and Changes in Net Assets.

Accounts receivable -

Accounts receivable primarily consists of amounts due within one year related to religious contract, membership dues, professional service fees, and training and seminars. Accounts receivable are recorded at their net realizable value which approximates fair value. 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. CLINIC had no allowance for credit losses as of December 31, 2024 and 2023.

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. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property and equipment -

Property and equipment in excess of $5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally five to ten years. Leasehold improvements are amortized over the lesser of the useful life of the asset or the remaining life term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense was $38,200 and $41,657 for the years ended December 31, 2024 and 2023, respectively.

Income taxes -

CLINIC 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). Accordingly, no provision for income taxes has been made in the accompanying financial statements. CLINIC is not a private foundation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Revenue from contracts with customers -

CLINIC's religious contracts, training and seminars, professional service fees, and membership dues are the most significant revenue streams that are treated as exchange transaction revenue following ASC Topic 606. Revenue from contracts with customers is recorded when the performance obligations are met. CLINIC has elected to opt out of all disclosures not required for non-public entities. Transaction price is based on sales price. Amounts received in advance of satisfying performance obligations are recorded as deferred revenue. CLINIC's contracts with customers generally have initial terms of one year or less.

Religious contracts revenues are recorded as revenue when the performance obligation is met, which is when the religious immigrations services have been provided. Trainings and seminars revenue is recorded as revenue when the performance obligation is met, which is when the related training/seminar has occurred. Professional service fees revenue is recorded as revenue when the performance obligation is met, which is when the related service has been provided.

Membership dues includes general member benefits that are a series of distinct obligations. Membership dues revenue is recognized ratably over the membership period. There are several benefits received that are individual distinct obligations such as discounted rates to conferences and meetings. However, these benefits are immaterial in comparison to the membership benefits provided and, as a result, they are included with the general member benefits.

Support from grants and contributions, including Federal awards -

CLINIC receives grants and contributions, including Federal awards from the U.S. Government and States. Grants and contributions are recognized in the appropriate category of net assets in the period received. CLINIC performs an analysis of the individual grant and contribution agreements to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support 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.

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 contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. CLINIC's refundable advances totaled $3,552,955 and $3,413,319 as of December 31, 2024 and 2023, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Support from grants and contributions, including Federal awards (continued) -

In addition, CLINIC has obtained funding source agreements related to conditional grants and contributions, such as Federal awards from the U.S. Government, which will be received in future years. CLINIC's unrecognized conditional grants and contributions to be received in future years totaled approximately $8,487,130 and $23,215,000, respectively, as of December 31, 2024 and 2023.

Revenue received in advance for religious contracts, membership, trainings, seminars, and professional service fees is recorded as deferred revenue within the Statements of Financial Position. Deferred revenue consisted of the following as of December 31, 2024 and 2023:

	2024	2023
Professional service fees	$ 144,870	$ 90,906
Trainings and seminars	89,565	59,450
Membership	-	1,800
TOTAL DEFERRED REVENUE	**$ 234,435**	**$ 152,156**

Contributed non-financial assets -

Contributed non-financial assets consist of donated legal services and advertising services. Goods donated for distribution for CLINIC's programs are recorded at their fair market value as of the date of the gift. Contributed non-financial assets are recorded at their estimated fair value if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CLINIC. None of the contributed non-financial assets were restricted by donors. In addition, volunteers have donated significant amounts of their time to CLINIC; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed non-financial assets.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 the various programs and other activities 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 benefited. Expenses are allocated on a reasonable basis that is consistently applied. Allocated expenses include depreciation and amortization, salaries and benefits, and other general Organization costs which are allocated on the basis of time worked, and rent and building maintenance expenses which are allocated on the basis of square footage of space occupied by each employee based on the program or general department to which the employee is assigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Investment risks and uncertainties -

CLINIC invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications included are primarily due to presentation of Federal grants and contracts. The reclassifications had no effect on the previously reported changes in net assets.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, CLINIC 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 CLINIC has the ability to access.

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 valuation methodologies and there were no transfers between levels in the fair value hierarchy during the years ended December 31, 2024 and 2023. 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.

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

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes the investments measured at fair value on a recurring basis, by level within the fair value hierarchy at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Money market funds	$ 3,134,019	$ -	$ -	$ 3,134,019
Exchange traded funds	46,740	-	-	46,740
Mutual funds	12,291,597	-	-	12,291,597
TOTAL	**$ 15,472,356**	**$ -**	**$ -**	**$ 15,472,356**

The table below summarizes the investments measured at fair value on a recurring basis, by level within the fair value hierarchy at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Money market funds	$ 4,251,042	$ -	$ -	$ 4,251,042
Mutual funds	11,410,801	-	-	11,410,801
TOTAL	**$ 15,661,843**	**$ -**	**$ -**	**$ 15,661,843**

Included in net investment return are the following:

	2024	2023
Net appreciation in fair value	$ 815,720	$ 852,605
Interest and dividends	421,143	500,989
Investment expenses provided by external investment advisors	(1,965)	(150)
TOTAL NET INVESTMENT RETURN	**$ 1,234,898**	**$ 1,353,444**

3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024 and 2023:

	2024	2023
Furniture and equipment	$ 472,649	$ 672,125
Leasehold improvements	360,442	360,442
Software	463,509	-
Total property and equipment	1,296,600	1,032,567
Less: Accumulated depreciation and amortization	(735,871)	(697,671)
NET PROPERTY AND EQUIPMENT	**$ 560,729**	**$ 334,896**

4. BOARD DESIGNATED NET ASSETS

As of December 31, 2024 and 2023, net assets without donor restrictions have been designated by the Board of Directors for the following purposes:

	2024	2023
Endowment	$ 2,166,753	$ 2,166,753
Lily Gutierrez Fund	30,253	24,620
BOARD DESIGNATED NET ASSETS	**$ 2,197,006**	**$ 2,191,373**

5. ENDOWMENT

CLINIC's endowment consists of funds designated by the governing Board to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of Board-imposed restrictions (quasi-endowment). Since the endowment was established internally by the Board of Directors and is not donor-restricted, it is classified and reported as net assets without donor restrictions.

Interpretation of relevant law -

CLINIC has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the State of Maryland as requiring the preservation of the fair value of the original gift made to the Board-restricted endowment funds, absent explicit board stipulations to the contrary.

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

- The duration and preservation of the fund;
- The purpose of the Organization and the Board-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 -

CLINIC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the market while assuming a moderate level of risk.

Strategies Employed for Achieving Objectives -

To satisfy its long-term objectives, CLINIC relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). CLINIC targets a diversified asset allocation that provides reasonable and predictable funds for CLINIC's program purposes and to maintain a balance between spending and the protection of the principal.

5. ENDOWMENT (Continued)

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

CLINIC has a goal of protecting the principal investment of the funds supporting its endowment. CLINIC is continuing to build its endowment through the appreciation of its investments. Interest and dividends are expended by CLINIC for operations.

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 Board or UPMIFA requires CLINIC to maintain as a fund of perpetual duration. However, there were no funds with deficiencies as of December 31, 2024 or 2023.

Endowment net asset composition by type of fund as of December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	**$ 2,166,753**	**$ -**	**$ 2,166,753**

Changes in endowment funds consisted of the following as of and for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 2,166,753	$ -	$ 2,166,753
Net investment return	268,273	-	268,273
Appropriation of endowment assets for expenditure	(268,273)	-	(268,273)
ENDOWMENT NET ASSETS, END OF YEAR	**$ 2,166,753**	**$ -**	**$ 2,166,753**

Endowment net asset composition by type of fund as of December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	**$ 2,166,753**	**$ -**	**$ 2,166,753**

Changes in endowment funds consisted of the following as of and for the year ended December 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 1,882,699	$ -	$ 1,882,699
Net investment return	409,104	-	409,104
Appropriation of endowment assets for expenditure	(125,050)	-	(125,050)
ENDOWMENT NET ASSETS, END OF YEAR	**$ 2,166,753**	**$ -**	**$ 2,166,753**

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2024 and 2023:

	2024	2023
Subject to expenditure for specified purpose:		
Emergency situations	$ 500,000	$ 500,000
Education and Network Growth	444,068	811,977
Subtotal	944,068	1,311,977
Subject to passage of time	250,000	450,000
NET ASSETS WITH DONOR RESTRICTIONS	**$ 1,194,068**	**$ 1,761,977**

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the years ended December 31, 2024 and 2023, respectively:

	2024	2023
Purpose restrictions accomplished:		
Education and Network Growth	$ 543,770	$ 144,805
Advocacy and Community Engagement	-	41,307
Direct Representation and Litigation	-	7,142
Timing restrictions accomplished	200,000	187,500
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	**$ 743,770**	**$ 380,754**

7. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Statements of Financial Position date comprise the following:

	2024	2023
Cash and cash equivalents	$ 659,070	$ 586,465
Investments	15,472,356	15,661,843
Accounts receivable	24,582	21,917
Grant and contributions receivable	845,440	1,365,015
Subtotal financial assets available within one year	17,001,448	17,635,240
Less: Donor-restricted funds, net of time restricted funds which will become available in the next 12 months	(944,068)	(1,311,977)
Less: Board designated funds	(2,197,006)	(2,191,373)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 13,860,374**	**$ 14,131,890**

CLINIC's management regularly monitors liquidity requirements to ensure that on-going operating needs and other contractual commitments are met. CLINIC has developed and adheres to a Board approved Investment Policy Statement. The goal is to maintain adequate liquidity while maximizing investment income and preserving capital. To achieve this goal, assets have been diversified to provide low to moderate risk tolerance and are regularly monitored and rebalanced when necessary.

8. CONTRIBUTED NON-FINANCIAL ASSETS

During the years ended December 31, 2024 and 2023, CLINIC was the beneficiary of non-financial assets which allowed CLINIC to provide greater resources toward various programs.

The contributed non-financial assets consisted of the following for the years ended December 31, 2024 and 2023:

	2024	2023
Legal services	$ 99,711	$ 470,432
Advertising services	3,276	3,276
TOTAL	**$ 102,987**	**$ 473,708**

The contributed non-financial assets have been recorded in support and in the following functional expense categories for the years ended December 31, 2024 and 2023:

	2024	2023
Direct Representation and Litigation	$ 99,711	$ 470,432
Advocacy and Community Engagement	3,276	3,276
TOTAL	**$ 102,987**	**$ 473,708**

9. CONTINGENCY

CLINIC receives grants from the Federal government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the Federal awards is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits. CLINIC's expenditures of Federal awards totaled $657,986 and $478,279 for the years ended December 31, 2024 and 2023, respectively.. Therefore, CLINIC did not meet the threshold to require an audit in accordance with Subpart F of the Uniform Guidance.

10. LEASE COMMITMENTS

CLINIC follows FASB ASC 842 for leases. CLINIC has elected the practical expedient 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. CLINIC has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

CLINIC leased office space in Maryland under a ten-year agreement, which originated in August 2013 and expired in 2023. The agreement included tenant allowances for improvements, escalation clauses, and charges for other costs related to the leased space.

CLINIC also leases space in Oakland, California, under a lease agreement which was entered into in January 2013. On April 1, 2018, this lease was renewed for an additional five years and expired on May 31, 2023. The agreement contained rent abatements, escalation clauses, and charges for other costs related to the leased space.

10. LEASE COMMITMENTS (Continued)

In May 2023, CLINIC entered into a new lease agreement for office space in Silver Spring, Maryland. The 65th full calendar month lease began in August 2023 and will expire in December 2028. Base rent is $9,734 with annual escalations of 2.5%. The lease includes a rent abatement for the first five months of the lease.

For the Silver Spring, Maryland lease, the operating lease liability was determined by calculating the present value of all future rentals using a risk free rate of 3.64% as the discount rate. For the years ended December 31, 2024 and 2023, total amortization on the right-of-use assets was $95,898 and $39,353, respectively.

For the years ended December 31, 2024 and 2023, total lease cost was $128,222 and $300,123, respectively. For the years ended December 31, 2024 and 2023, total cash paid was $108,288 and $244,816, respectively.

The following is a schedule of the future minimum lease payments due under the operating leases, net of imputed interest:

Year Ending December 31,	
2025	$ 120,972
2026	123,997
2027	127,096
2028	130,274
	502,339
Less: Imputed interest	(34,639)
	467,700
Less: Current portion	(106,076)
LONG-TERM PORTION	**$ 361,624**

11. RETIREMENT PLAN

In 2010, CLINIC established the Catholic Legal Immigration Network, Inc. 403(b) Plan (403(b) Plan). In 2014, it was amended to allow staff to receive a 200% match of their contributions up to $3,000 after one year of service, effective January 1, 2015. The annual 403(b) Plan expenses for the years ending December 31, 2024 and 2023, totaled $175,902 and $137,444, respectively.

CLINIC is a participating employer in a multiemployer defined benefit pension plan (the Plan), including USCCB, pursuant to the Plan document. The Plan covers full-time employees of CLINIC hired prior to January 1, 2008, over the age of 25, and who have completed one year of employment. The Plan does not require a minimum contribution by participating employers. Trustees of the Plan resolved to freeze the Plan effective December 31, 2013.

11. RETIREMENT PLAN (Continued)

The following table summarizes the information regarding the Plan as of December 31, 2024 and 2023:

	2024	2023
Plan Assets at Fair Value	$ 64,107,534	$ 63,928,345
Projected Benefit Obligation	$ 64,904,431	$ 74,421,421

The risks of participating in a multiemployer defined benefit pension plan are different from a single-employer plan because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be required to be borne by the remaining participating employers, and (c) if CLINIC chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the Plan.

In connection with ongoing renegotiation of collective bargaining agreements, CLINIC may discuss and negotiate for the complete or partial withdrawal of the multiemployer pension plan.

Depending on the number of employees withdrawn in any future period and the financial condition of the multiemployer plan at the time of withdrawal, the associated withdrawal liabilities could be material to CLINIC's change in net assets in the period of the withdrawal. CLINIC has no plans to withdraw from its multiemployer pension plan.

12. SUBSEQUENT EVENTS

In preparing these financial statements, CLINIC has evaluated events and transactions for potential recognition or disclosure through June 15, 2025, the date the financial statements were issued.