

**LAWYERS' COMMITTEE  
FOR CIVIL RIGHTS UNDER LAW**

**AUDITED FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2022 AND 2021**

# Lawyers' Committee for Civil Rights Under Law

## Table of Contents

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	<b>Page</b>
<b>Independent Auditor's Report</b>	1 – 2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 22

## **Independent Auditor's Report**

To the Board of Directors and Trustees  
**Lawyers' Committee for Civil Rights Under Law**  
1500 K Street Northwest Suite 900  
Washington, DC 20005

### ***Opinion***

We have audited the accompanying financial statements of **Lawyers' Committee for Civil Rights Under Law** (the "Organization"), which comprise the Statements of Financial Position as of December 31, 2022 and 2021, 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 2022 financial statements referred to above present fairly, in all material respects, the financial position of **Lawyers' Committee for Civil Rights Under Law** as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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 Financial Statements section of our report. We are required to be independent of **Lawyers' Committee for Civil Rights Under Law** 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.

### ***Prior Period Financial Statements***

The financial statements as of December 31, 2021 were audited by Aronson LLC, who merged with Aprio, LLP as of January 1, 2023, and whose report dated December 12, 2022 expressed an unmodified opinion of those financial statements.

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, **Lawyers' Committee for Civil Rights Under Law** changed its method of accounting for leases due to the adoption of Topic 842 as of January 1, 2022. Our opinion is not modified with respect to this matter.

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.

## **Independent Auditor's Report (Continued)**

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 **Lawyers' Committee for Civil Rights Under Law's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

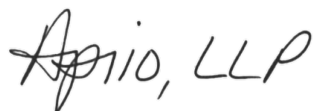
### *Auditor's Responsibilities for the Audit of the Financial Statements*

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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 **Lawyers' Committee for Civil Rights Under Law'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 **Lawyers' Committee for Civil Rights Under Law'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.



Rockville, Maryland  
August 9, 2023

# Lawyers' Committee for Civil Rights Under Law

## Statements of Financial Position

<i>December 31,</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,674,255	\$ 10,871,236
Investments	54,972,359	50,032,398
Accounts receivable	347,379	110,051
Grants receivable, net	4,486,000	7,139,000
Promises to give, net	2,394,251	878,983
Prepaid expenses	916,617	826,221
Deferred compensation assets	107,322	107,322
Property and equipment, net	2,004,781	2,172,541
Right-of-use asset- operating	8,697,700	-
<b>Total assets</b>	<b>\$ 80,600,664</b>	<b>\$ 72,137,752</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 580,320	\$ 505,865
Accrued expenses	562,459	418,412
Deferred revenue	-	70,000
Custodial escrow funds	129,612	129,612
Payroll taxes and related liabilities	54,352	50,050
Deferred compensation liabilities	107,322	107,322
Deferred rent	-	3,338,862
Lease liability- operating	11,833,304	-
<b>Total liabilities</b>	<b>13,267,369</b>	<b>4,620,123</b>
<b>Net assets</b>		
Without donor restrictions - undesignated	50,224,506	52,328,071
Without donor restrictions - designated	33,770	33,770
<b>Total net assets without donor restrictions</b>	<b>50,258,276</b>	<b>52,361,841</b>
With donor restrictions	17,075,019	15,155,788
<b>Total net assets</b>	<b>67,333,295</b>	<b>67,517,629</b>
<b>Total liabilities and net assets</b>	<b>\$ 80,600,664</b>	<b>\$ 72,137,752</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

**Lawyers' Committee for Civil Rights Under Law**

**Statements of Activities and Changes in Net Assets**

<i>Year ended December 31,</i>	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support</b>						
Public support	\$ 6,236,152	\$ 6,994,638	\$ 13,230,790	\$ 29,070,720	\$ 2,500,901	\$ 31,571,621
Special event: Higginbotham Dinner net of direct expenses of \$703,492 and \$78,232, respectively	1,419,309	-	1,419,309	2,002,970	-	2,002,970
Legal fees from court awards	6,216,571	-	6,216,571	1,338,116	-	1,338,116
Interest and other income	1,414,380	90,334	1,504,714	1,028,917	108,256	1,137,173
Paycheck Protection Program loan forgiveness	-	-	-	1,263,700	-	1,263,700
Net assets released from restrictions	4,389,961	(4,389,961)	-	5,377,918	(5,377,918)	-
<b>Total revenue</b>	<b>19,676,373</b>	<b>2,695,011</b>	<b>22,371,384</b>	<b>40,082,341</b>	<b>(2,768,761)</b>	<b>37,313,580</b>
<b>Expenses</b>						
<b>Program services</b>						
Capacity building	1,169,057	-	1,169,057	714,112	-	714,112
Census	-	-	-	228,142	-	228,142
Criminal justice	804,785	-	804,785	665,248	-	665,248
Stop Hate	352,547	-	352,547	381,645	-	381,645
Voting rights	4,791,587	-	4,791,587	3,407,905	-	3,407,905
Fair housing / community development	900,544	-	900,544	1,299,560	-	1,299,560
Educational opportunities	1,090,509	-	1,090,509	901,958	-	901,958
Economic justice and COVID-19	481,870	-	481,870	746,780	-	746,780
Digital justice	491,904	-	491,904	91,789	-	91,789
Legal mobilization and public policy	280,680	-	280,680	588,275	-	588,275
Public education and general legal	1,977,096	-	1,977,096	3,390,923	-	3,390,923
NC regional office	210,197	-	210,197	302,881	-	302,881
Fellowships	394,488	-	394,488	328,437	-	328,437
<b>Total program services</b>	<b>12,945,264</b>	<b>-</b>	<b>12,945,264</b>	<b>13,047,655</b>	<b>-</b>	<b>13,047,655</b>
<b>Supporting services</b>						
Management and general	2,069,787	-	2,069,787	1,377,023	-	1,377,023
Fundraising	1,078,137	-	1,078,137	774,920	-	774,920
<b>Total supporting services</b>	<b>3,147,924</b>	<b>-</b>	<b>3,147,924</b>	<b>2,151,943</b>	<b>-</b>	<b>2,151,943</b>
<b>Total expenses</b>	<b>16,093,188</b>	<b>-</b>	<b>16,093,188</b>	<b>15,199,598</b>	<b>-</b>	<b>15,199,598</b>
<b>Change in net assets before net return on investments and donated services</b>	<b>3,583,185</b>	<b>2,695,011</b>	<b>6,278,196</b>	<b>24,882,743</b>	<b>(2,768,761)</b>	<b>22,113,982</b>
Net realized unrealized gain (loss) on investments	(5,686,750)	(775,780)	(6,462,530)	1,136,637	138,047	1,274,684
In-kind legal services	98,315,836	-	98,315,836	41,961,905	-	41,961,905
Imputed program service expense for in-kind legal services	(98,315,836)	-	(98,315,836)	(41,961,905)	-	(41,961,905)
<b>Change in net assets</b>	<b>(2,103,565)</b>	<b>1,919,231</b>	<b>(184,334)</b>	<b>26,019,380</b>	<b>(2,630,714)</b>	<b>23,388,666</b>
<b>Net assets, beginning of year</b>	<b>52,361,841</b>	<b>15,155,788</b>	<b>67,517,629</b>	<b>26,342,461</b>	<b>17,786,502</b>	<b>44,128,963</b>
<b>Net assets, end of year</b>	<b>\$ 50,258,276</b>	<b>\$ 17,075,019</b>	<b>\$ 67,333,295</b>	<b>\$ 52,361,841</b>	<b>\$ 15,155,788</b>	<b>\$ 67,517,629</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Lawyers' Committee for Civil Rights Under Law

Statement of Functional Expenses

Year ended December 31, 2022	Program Services														Supporting Services			Total Expenses
	Capacity Building	Census	Criminal Justice	Stop Hate	Voting Rights	Fair Housing / Community Development	Educational Opportunities	Economic Justice and COVID-19	Digital Justice	Legal Mobilization and Public Policy	Public Education and General Legal	NC Regional Office	Fellowships	Total Program Services	Management and General	Fundraising	Total Supporting	
Salaries and benefits:																		
Salaries	\$ 411,638	\$ -	\$ 598,977	\$ 236,250	\$ 2,395,837	\$ 576,221	\$ 651,907	\$ 413,730	\$ 372,497	\$ 179,629	\$ 699,498	\$ 154,665	\$ 164,642	\$ 6,855,491	\$ 465,557	\$ 578,264	\$ 1,043,821	\$ 7,899,312
Benefits	38,451	-	107,502	48,630	409,867	115,076	71,710	25,064	77,147	38,678	132,249	31,863	32,207	1,128,444	547,166	108,811	655,977	1,784,421
Total salaries and benefits	450,089	-	706,479	284,880	2,805,704	691,297	723,617	438,794	449,644	218,307	831,747	186,528	196,849	7,983,935	1,012,723	687,075	1,699,798	9,683,733
Contractual service and co-counsel fees	491,618	-	20,000	3,400	134,957	109,544	166,500	4,500	-	16,764	800,385	2,449	159,208	1,909,325	251,573	72,617	324,190	2,233,515
Technology and research	11,339	-	1,900	11,185	536,905	200	1,600	-	1,200	643	71,917	-	34	636,923	98,371	20,351	118,722	755,645
Lease expense	29,518	-	42,066	20,758	270,229	53,648	98,996	20,245	28,328	16,655	83,658	7,800	24,850	696,751	259,790	113,877	373,667	1,070,418
Communications	-	-	-	-	718,956	-	-	-	-	-	29,781	-	-	748,737	13,500	12	13,512	762,249
Temporary help	138,089	-	-	-	105,768	-	-	-	-	8,411	35,818	-	-	288,086	78,478	25,709	104,187	392,273
Office expense	20,791	-	5,600	2,956	25,820	6,972	10,884	2,792	2,840	1,880	25,487	6,017	2,389	114,428	206,386	65,799	272,185	386,613
Depreciation and amortization	7,686	-	10,953	5,405	70,364	13,969	25,777	5,272	7,376	4,337	21,783	-	6,471	179,393	67,645	29,652	97,297	276,690
Travel and meetings	18,005	-	12,052	13,382	71,461	17,156	52,647	221	-	11,783	58,867	2,065	1,551	259,190	17,048	739,651	756,699	1,015,889
Postage and delivery	-	-	71	87	1,093	465	145	-	43	152	428	2,446	-	4,930	37,339	5,176	42,515	47,445
Court costs and professional dues	-	-	2,554	9,143	6,595	3,696	3,680	3,413	386	664	6,776	1,285	1,518	39,710	6,124	-	6,124	45,834
Insurance and interest	1,922	-	2,738	1,351	17,592	3,492	6,445	1,318	1,844	1,084	5,446	874	1,618	45,724	16,913	7,413	24,326	70,050
Printing and duplication	-	-	372	-	26,143	105	218	5,315	243	-	5,003	733	-	38,132	3,897	14,297	18,194	56,326
Less, Higginbotham Dinner expenses included with revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(703,492)	(703,492)	(703,492)
<b>Total expenses</b>	<b>1,169,057</b>	<b>-</b>	<b>804,785</b>	<b>352,547</b>	<b>4,791,587</b>	<b>900,544</b>	<b>1,090,509</b>	<b>481,870</b>	<b>491,904</b>	<b>280,680</b>	<b>1,977,096</b>	<b>210,197</b>	<b>394,488</b>	<b>12,945,264</b>	<b>2,069,787</b>	<b>1,078,137</b>	<b>3,147,924</b>	<b>16,093,188</b>
In-kind legal services	-	-	9,709,956	-	69,556,433	8,308,597	1,906,484	6,378,299	259,817	-	2,196,250	-	-	98,315,836	-	-	-	98,315,836
<b>Total expenses per Statement of Activities and Changes in Net Assets</b>	<b>\$ 1,169,057</b>	<b>\$ -</b>	<b>\$ 10,514,741</b>	<b>\$ 352,547</b>	<b>\$ 74,348,020</b>	<b>\$ 9,209,141</b>	<b>\$ 2,996,993</b>	<b>\$ 6,860,169</b>	<b>\$ 751,721</b>	<b>\$ 280,680</b>	<b>\$ 4,173,346</b>	<b>\$ 210,197</b>	<b>\$ 394,488</b>	<b>\$111,261,100</b>	<b>\$ 2,069,787</b>	<b>\$ 1,078,137</b>	<b>\$ 3,147,924</b>	<b>\$114,409,024</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

Lawyers' Committee for Civil Rights Under Law

Statement of Functional Expenses

Year ended December 31, 2021	Program Services														Supporting Services			
	Capacity Building	Census	Criminal Justice	Stop Hate	Voting Rights	Fair Housing / Community Development	Educational Opportunities	Economic Justice and COVID-19	Digital Justice	Legal Mobilization and Public Policy	Public Education and General Legal	NC Regional Office	Fellowships	Total Program Services	Management and General	Fundraising	Total Supporting	Total Expenses
Salaries and benefits:																		
Salaries	\$ 455,693	\$ 170,373	\$ 481,503	\$ 246,907	\$ 2,239,156	\$ 470,989	\$ 579,173	\$ 496,653	\$ 67,894	\$ 414,065	\$ 714,535	\$ 222,205	\$ 230,800	\$ 6,789,946	\$ 278,050	\$ 427,837	\$ 705,887	\$ 7,495,833
Benefits	94,122	35,698	100,622	51,067	467,736	89,933	117,658	102,995	14,215	86,317	134,875	49,898	50,105	1,395,241	230,908	83,552	314,460	1,709,701
Total salaries and benefits	549,815	206,071	582,125	297,974	2,706,892	560,922	696,831	599,648	82,109	500,382	849,410	272,103	280,905	8,185,187	508,958	511,389	1,020,347	9,205,534
Contractual service and co-counsel fees	88,300	-	-	16,225	78,783	602,340	79,829	65,204	-	-	2,011,569	-	9,000	2,951,250	215,082	50,526	265,608	3,216,858
Lease expense	49,673	15,869	46,274	26,547	216,205	90,396	73,595	51,945	6,385	40,920	145,442	15,423	22,855	801,529	186,069	72,239	258,308	1,059,837
Travel and meetings	2,074	-	3,258	7,015	1,703	1,444	2,882	534	-	833	8,793	418	-	28,954	2,192	19,242	21,434	50,388
Technology and research	-	-	11,944	19,283	225,675	7,207	18,157	6,762	800	4,559	243,839	3,663	6,082	547,971	155,153	70,484	225,637	773,608
Communications	-	-	17	-	25,884	-	600	-	-	-	14,862	992	-	42,355	619	-	619	42,974
Office expense	8,924	1,305	4,378	2,346	40,658	7,435	6,714	4,949	525	3,640	21,545	6,212	1,955	110,586	170,490	7,547	178,037	288,623
Insurance and interest	2,532	809	2,359	1,353	11,020	4,607	3,751	2,648	325	2,086	7,413	1,184	1,165	41,252	9,484	3,682	13,166	54,418
Depreciation and amortization	12,794	4,088	11,919	6,838	55,689	23,284	18,956	13,380	1,645	10,540	37,462	6	5,887	202,488	47,926	18,607	66,533	269,021
Printing and duplication	-	-	44	365	7,146	-	-	-	-	-	363	122	-	8,040	2,812	-	2,812	10,852
Postage and delivery	-	-	230	60	3,086	213	200	103	-	482	1,024	477	73	5,948	35,027	832	35,859	41,807
Court costs and professional dues	-	-	2,700	3,259	5,269	1,712	443	1,607	-	375	4,435	1,328	515	21,643	4,548	1,775	6,323	27,966
Temporary help & stipends	-	-	-	380	29,895	-	-	-	-	24,458	44,766	953	-	100,452	38,663	96,829	135,492	235,944
Less, Higginbotham Dinner expenses included with revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(78,232)	(78,232)	(78,232)
Total expenses	714,112	228,142	665,248	381,645	3,407,905	1,299,560	901,958	746,780	91,789	588,275	3,390,923	302,881	328,437	13,047,655	1,377,023	774,920	2,151,943	15,199,598
In-kind legal services	-	-	18,331,043	-	13,317,293	6,468,325	2,253,225	941,526	-	-	32,420	618,073	-	41,961,905	-	-	-	41,961,905
Total expenses per Statement of Activities and Changes in Net Assets	\$ 714,112	\$ 228,142	\$ 18,996,291	\$ 381,645	\$ 16,725,198	\$ 7,767,885	\$ 3,155,183	\$ 1,688,306	\$ 91,789	\$ 588,275	\$ 3,423,343	\$ 920,954	\$ 328,437	\$ 55,009,560	\$ 1,377,023	\$ 774,920	\$ 2,151,943	\$ 57,161,503

The accompanying Notes to Financial Statements are an integral part of these financial statements.



# Lawyers' Committee for Civil Rights Under Law

## Statements of Cash Flows

<i>Years ended December 31,</i>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (184,334)	\$ 23,388,666
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities</b>		
Depreciation and amortization	276,690	269,021
Net realized and unrealized loss (gain) on investments	6,462,530	(1,274,684)
Donated investments	(250,000)	-
Paycheck Protection Program loan forgiveness	-	(1,263,700)
<b>(Increase) decrease in:</b>		
Accounts receivable	(237,328)	(38,115)
Grants receivable, net	2,653,000	(2,920,636)
Promises to give, net	(1,515,268)	(78,913)
Prepaid expenses	(90,396)	68,343
Right-of-use asset- operating	1,305,295	-
<b>Increase (decrease) in:</b>		
Accounts payable	74,455	(395,790)
Accrued expenses	144,047	(35,865)
Deferred revenue	(70,000)	20,000
Payroll taxes and related liabilities	4,302	2,318
Deferred rent	-	(167,969)
Lease liability- operating	(1,508,553)	-
<b>Net cash provided by operating activities</b>	<b>7,064,440</b>	<b>17,572,676</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(108,930)	(39,686)
Proceeds from sale of investments	29,502,757	24,030,868
Purchases of investments	(40,655,248)	(42,915,485)
<b>Net cash used by investing activities</b>	<b>(11,261,421)</b>	<b>(18,924,303)</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,196,981)</b>	<b>(1,351,627)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>10,871,236</b>	<b>12,222,863</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,674,255</b>	<b>\$ 10,871,236</b>

The accompanying Notes to Financial Statements are an integral part of these financial statements.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

### 1. Organization and significant accounting policies

**Organization:** Lawyers' Committee for Civil Rights Under Law ("the Lawyers' Committee") is a nonpartisan nonprofit organization formed in 1963 to develop better public understanding of civil rights and the related judicial and legal processes. The main goal of the Lawyers' Committee is to "secure, through the rule of law, equal justice under law."

The Lawyers' Committee acquires its funds mainly through foundation grants, contributions, and court awarded fees. These funds are expended to provide representation without cost in administrative and judicial proceedings to victims of unlawful discriminatory practices.

A summary of the Lawyers' Committee's significant accounting policies follows:

**Basis of presentation:** The financial statement presentation follows the recommendation of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). As required by the Not-for-Profit Entities Topic of the FASB ASC, the Lawyers' Committee is required to report information regarding its financial position and activities according to the following two classes to net assets:

**Without donor restrictions:** Net assets without donor restrictions include those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation. See Note 7 for details regarding board-designated net assets.

**With donor restrictions:** Net assets with donor restrictions include those net assets whose use by the Lawyers' Committee has been donor-restricted with specified time or purpose limitations or that the donated funds be maintained in perpetuity but permit the Lawyers' Committee to use investment income derived from the donated assets for either specified or unspecified purposes. See Note 8 for details regarding net assets with donor restrictions.

**Use of estimates:** The preparation of financial statements in accordance with generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Income tax status:** The Lawyers' Committee is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"), except on net income derived from unrelated business activities. The Lawyers' Committee has been classified by the Internal Revenue Service as other than a private foundation within the meaning of Section 509(a)(1) of the IRC.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

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The Lawyers' Committee evaluates uncertainty in income tax positions based on a more-likely-than-not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2022 and 2021, there are no accruals for uncertain tax positions. If applicable, the Lawyers' Committee records interest and penalties as a component of income tax expense. Tax years from December 31, 2019 through the current year remain open for examination by federal and state tax authorities.

**Cash and cash equivalents:** For purposes of reporting cash flows, the Lawyers' Committee considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. All cash held by the investment custodians are considered investments.

**Financial risk:** The Lawyers' Committee maintains cash balances at two commercial banks, and these balances can exceed the Federal Deposit Insurance Corporation ("FDIC") insured deposit limit of \$250,000 per financial institution. At December 31, 2022 and 2021, the Lawyers' Committee's cash balance held at the commercial banks exceeded the insured limit by approximately \$6,220,000 and \$10,386,000, respectively. The Lawyers' Committee has not experienced any losses through the date when the financial statements were available to be issued.

The Lawyers' Committee invests in a professionally managed portfolio that contains various marketable securities. Such investments are exposed to various risks, such as market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near-term could materially affect investment balances and the amounts reported in the financial statements.

**Investments:** Investments in marketable securities are reflected at fair value. The change in fair value of these investments is recorded as a component of net realized and unrealized gain (loss) on investments in the Statements of Activities and Changes in Net Assets.

**Grants receivable and promises to give:** The Lawyers' Committee has received funding commitments and unconditional promises to give from various foundations and donors. Amounts due in excess of one year have been discounted to present value using a rate of 4.00% as of December 31, 2022 and 2021. Conditional promises to give are not included as support until the conditions are substantially met. Bad debt expense was \$0 for the years ended December 31, 2022 and 2021. Promises to give are presented net of an allowance for doubtful accounts and discount to present value of \$137,500 and \$300,000 as of December 31, 2022 and 2021, respectively. 84% and 64% of grants receivable were due from two donors as of December 31, 2022 and 2021, respectively.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

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**Property and equipment:** Acquisitions of property and equipment greater than or equal to \$1,000 are capitalized at cost. Donated property and equipment is capitalized at fair value at the date of the gift. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Furniture and equipment	5-10
Computers and software	3

Leasehold improvements are amortized over the lesser of the remaining office lease term or the estimated useful lives of the improvements.

**Valuation of long-lived assets:** The Lawyers' Committee reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

**Leases:** Operating lease right-of-use assets ("ROU") and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. When present, the ROU assets resulting from operating leases are disclosed as right-of-use asset – operating lease and the related liabilities are included in lease liability – operating in the Statement of Financial Position. When present, finance lease ROU assets are included in furniture and equipment, and the related liabilities are included in lease liability – financing in the Statement of Financial Position. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the risk-free rate. Operating lease cost is recognized on a straight-line basis over the lease term as lease expense in the accompanying Statement of Functional Expenses. Lease and non-lease components of office space and equipment lease agreements are accounted as a single component. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Lawyers' Committee will exercise that option. The Lawyers' Committee determines if an arrangement is a lease at inception.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

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**Deferred rent:** Prior to January 1, 2022, rent expense was recognized on a straight-line basis over the life of the lease, with the difference between rent paid and straight-line expenses recorded as deferred rent. The amount also included the leasehold improvement allowances, which were amortized on a straight-line basis over the life of the lease.

**Contributions and grants:** Contributions and grants are recognized as support when promised unconditionally and are recorded net of any current year allowance or discount activity. The Lawyers' Committee reports gifts of cash and other assets as net assets with donor restrictions if they are received or promised with donor stipulations that limit the use of the donated assets to the Lawyers' Committee's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Statements of Activities and Changes in Net Assets as net assets released from restriction. Contributions that are restricted by the donor are reported as net assets without donor restriction if the restriction expires in the same reporting period in which the contribution is recognized. 35% and 57% of public support contributions were made by three donors as of December 31, 2022 and 2021, respectively.

Contributions of legal fees from court awards are recognized at the earlier of the date of receipt or commitment from the awarding firm. Special event revenue consists primarily of contributions related to the annual Higginbotham Dinner. Revenue from special events is recognized in the period the event takes place.

**In-kind legal services:** Contributions of in-kind services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at fair value. Included are pro-bono services provided to the Lawyers' Committee in furtherance of its mission by lawyers and law firms. Donated legal services included in management and general are valued at the standard hourly rates charged for those services, which is considered to be the fair value. The fair value of these services has been estimated by the law firms to be \$98,315,836 and \$41,961,905 for the years ended December 31, 2022 and 2021, respectively. 35% and 48% of in kind contributed legal services were made by five donors as of December 31, 2022 and 2021, respectively.

**Cash flow classification of donated financial assets:** Cash receipts from the sale of donated securities that upon receipt were converted nearly immediately into cash and with no donor-imposed restrictions are included in the operating section of the Statements of Cash Flows, while cash receipts from the sale of donated securities with donor-imposed long-term restrictions are classified as financing activities. Otherwise, receipts from the sale of donated financial assets are classified as cash flows from investing activities.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

**Functional allocation of expenses:** Certain costs are allocated among multiple program services or supporting services activities. Allocable costs include facilities, general office, executive office and information technology support. The costs are allocated among program services and supporting services activities based on the estimated amount of labor costs utilized by each area.

Expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Contractual service and co-counsel fees	Time and effort
Lease expense	Time and effort
Travel and meetings	Time and effort
Technology and research	Time and effort
Communications	Time and effort
Office expense	Time and effort
Insurance and interest	Time and effort
Depreciation and amortization	Time and effort
Printing and duplication	Time and effort
Postage and delivery	Time and effort
Court costs and professional dues	Time and effort
Temporary help & stipends	Time and effort
In-kind legal services	Time and effort

**Recent accounting pronouncements adopted:** The Lawyers' Committee adopted Accounting Standards Codification Update 842, *Leases*, ("ASC 842") effective January 1, 2022. This standard requires lessees to recognize leases on the Statement of Financial Position as right-of-use assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, the Lawyers' Committee elected to use the practical expedient package, which includes not reevaluating if a contract is or contains a lease, not reevaluating the classification of a lease, and not reevaluating initial direct costs.

Upon adoption, the Lawyers' Committee recognized an operating lease ROU asset and a lease liability in the amounts of \$9,606,807 and \$12,945,669, respectively, using the modified retrospective alternative method. No cumulative-effect adjustments were required. ASC 842 did not have a significant effect on the accounting for lessee contracts required as finance leases, and there were no finance leases recognized upon adoption. Adoption of the new standard resulted in the recording of the operating lease asset and lease liability on the Statements of Financial Position, with no cumulative impact to net assets, and did not have a material impact on the Committee's changes in net assets or cash flows for the year ended December 31, 2022.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

In September 2020, the Financial Accounting Standards Board issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively to annual reporting periods beginning after June 15, 2021. The Organization adopted the standard on January 1, 2022. The standard did not have a material impact on the financial statements. The non-cash contributions are presented separately on the Statement of Activities and Changes in Net Assets and disclosed in Note 1.

**Subsequent events:** Subsequent events have been evaluated through August 9, 2023, which is the date the financial statements were available to be issued.

### 2. Liquidity and availability of resources

The following represents the Lawyers' Committee's financial assets at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,674,255	\$ 10,871,236
Investments	54,972,359	50,032,398
Accounts receivable	347,379	110,051
Grants receivable, net	4,486,000	7,139,000
Promise to give, net	2,394,251	878,983
<b>Total financial assets</b>	<b>68,874,244</b>	<b>69,031,668</b>
Less amounts not available for general expenditures:		
Custodial escrow funds	(129,612)	(129,612)
Board-designated net assets	(33,770)	(33,770)
Net assets with donor restrictions	(17,075,019)	(15,155,788)
<b>Financial assets available to meet general expenditures within one year</b>	<b>\$ 51,635,843</b>	<b>\$ 53,712,498</b>

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

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The Lawyers' Committee's process of liquidity management calls for the organization to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. The policy of the Lawyers' Committee is to maintain sufficient cash to meet obligations in a timely manner and to meet expenses occurring as a result of unanticipated activities.

Management periodically reviews the Lawyers' Committee's liquid asset needs and assesses the adequacy of the cash and cash equivalent balances.

### 3. Investments and fair value

**Fair value:** The Lawyers' Committee has implemented the accounting standards topic regarding fair value measurements. This standard establishes a framework for measuring fair value in accordance with GAAP and expands disclosures about fair value measurements. This standard uses the following prioritized input levels to measure fair value. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1. Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes;

Level 2. Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data; and

Level 3. Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments using Level 1 inputs consist of investments in stocks of companies across various industries and are valued based on quoted market prices at the reporting date for those or similar investments in active markets. Additionally, investments in mutual funds listed on a national market or exchange are valued at the last sales price or, if there is no sale and the market is still considered active, at the last transaction price before year-end.

Investments using Level 2 inputs consist of government securities and corporate bonds and are valued using an outside data and pricing company (the Company). In determining the fair value of the investments, the Company uses a market approach based on the credit risk of the issuer, maturity, current yield, and other terms and conditions of each security. Management believes the Company's estimate to be a reasonable approximation of the fair value of the investments.

The following is a summary of the input levels used to determine fair values, measured on a recurring basis, at December 31, 2022 and 2021:



# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

	2022			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Investments:				
Common stock	\$ 12,319,440	\$ 12,319,440	\$ -	\$ -
U.S. government securities	12,703,451	-	12,703,451	-
Corporate bonds	2,738,257	-	2,738,257	-
Mutual and exchange traded funds - equities	8,781,444	8,781,444	-	-
Mutual and exchange traded funds - fixed income	6,343,355	6,343,355	-	-
<b>Investments carried at fair value</b>	<b>\$ 42,885,947</b>	<b>\$ 27,444,239</b>	<b>\$ 15,441,708</b>	<b>\$ -</b>
Cash management fund	12,086,412	-	-	-
<b>Total Investments</b>	<b>\$ 54,972,359</b>			

	2021			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Investments:				
Common stock	\$ 11,213,101	\$ 11,213,101	\$ -	\$ -
U.S. government securities	14,596,036	-	14,596,036	-
Corporate bonds	6,480,481	-	6,480,481	-
Mutual and exchange traded funds - equities	13,756,805	13,756,805	-	-
Mutual and exchange traded funds - fixed income	2,325,109	2,325,109	-	-
<b>Investments carried at fair value</b>	<b>\$ 48,371,532</b>	<b>\$ 27,295,015</b>	<b>\$ 21,076,517</b>	<b>\$ -</b>
Cash management fund	1,660,866	-	-	-
<b>Total Investments</b>	<b>\$ 50,032,398</b>			

The Lawyers' Committee sponsors two non-qualified deferred compensation plans. The following table sets forth by level, within the fair value hierarchy, the Lawyers' Committee's assets held in the 457 deferred compensation plans at fair value as of December 31, 2022 and 2021:

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

	2022			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Deferred compensation assets:				
Mutual and exchange traded funds - equities	\$ 89,279	\$ 89,279	\$ -	\$ -
Mutual and exchange traded funds - fixed income	7,745	7,745	-	-
<b>Investments carried at fair value</b>	<b>\$ 97,024</b>	<b>\$ 97,024</b>	<b>\$ -</b>	<b>\$ -</b>
Cash management fund	10,298	-	-	-
<b>Total deferred compensation assets</b>	<b>\$ 107,322</b>			

	2021			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Deferred compensation assets:				
Mutual and exchange traded funds - equities	\$ 60,437	\$ 60,437	\$ -	\$ -
Mutual and exchange traded funds - fixed income	7,314	7,314	-	-
<b>Investments carried at fair value</b>	<b>\$ 67,751</b>	<b>\$ 67,751</b>	<b>\$ -</b>	<b>\$ -</b>
Cash management fund	39,571	-	-	-
<b>Total deferred compensation assets</b>	<b>\$ 107,322</b>			

#### 4. Grants receivable and promises to give

The anticipated timing of future cash flows related to grants receivable and promises to give were as follows at December 31, 2022 and 2021:

	2022		2021	
Due in less than one year	\$ 5,036,949	\$	4,713,983	
Due in one to five years	2,105,002		3,875,000	
Less discount to present value	(124,200)		(271,000)	
Less allowance for doubtful accounts	(137,500)		(300,000)	
<b>Grants receivable and promises to give, net</b>	<b>\$ 6,880,251</b>	<b>\$</b>	<b>8,017,983</b>	
Grants receivable	\$ 4,486,000	\$	7,139,000	
Promises to give	2,394,251		878,983	
<b>Grants receivable and promises to give, net</b>	<b>\$ 6,880,251</b>	<b>\$</b>	<b>8,017,983</b>	

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

### 5. Property and equipment

Property and equipment consisted of the following as of December 31:

	2022	2021
Furniture and equipment	\$ 538,460	\$ 530,382
Computers and software	924,998	824,146
Leasehold improvements	2,411,216	2,411,216
Total	3,874,674	3,765,744
Less: Accumulated Depreciation	(1,869,893)	(1,593,203)
<b>Property and equipment, net</b>	<b>\$ 2,004,781</b>	<b>\$ 2,172,541</b>

Depreciation and amortization expense for the years ended December 31, 2022 and 2021 totaled \$276,690 and \$269,021, respectively and is included on the Statements of Functional Expenses.

### 6. Notes payable

**Line of credit:** During 2015, the Lawyers' Committee entered into a loan management account agreement with a financial institution which included a revolving line of credit. The corresponding interest rate varies on a weekly basis. No amounts were outstanding under the line of credit as of December 31, 2022 and 2021. Interest expense incurred under the revolving line of credit for the years ended December 31, 2022 and 2021 was \$0.

**Paycheck Protection Program loan:** Under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, the Lawyers' Committee applied for a Paycheck Protection Program ("PPP") loan with the Small Business Administration ("SBA") and received a loan of \$1,263,700 in May 2020. The PPP loan had an interest rate of 1% per annum. The loan and related accrued interest were forgivable after 24 weeks if the Lawyers' Committee used the proceeds for eligible purposes. The Lawyers' Committee chose to account for the loan in accordance with ASC 470.

In July 2021, the Lawyers' Committee received notification that the entire PPP loan and all accrued interest had been forgiven, and recorded the loan forgiveness as income on the Statements of Activities and Changes in Net Assets.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

7. **Board-designated net assets** Board-designated net assets are not subject to donor restrictions. Rather, they have been designated by the Board for certain purposes as shown below as of December 31, 2022 and 2021:

	2022	2021
Domestic Legal Assistance Fund	\$ 16,728	\$ 16,728
Anniversary Fund	11,242	11,242
Lloyd Cutler Memorial Fund	5,800	5,800
<b>Board designated net assets</b>	<b>\$ 33,770</b>	<b>\$ 33,770</b>

8. **Net assets with donor restrictions** Activity and balances associated with net assets with donor restrictions consisted of the following as of and for the years ended December 31, 2022 and 2021:

	2022	2021
Purpose-restricted net assets:		
Voting rights	\$ 6,271,097	\$ 4,800,905
Economic justice	888,476	1,207,058
Program reserves	927,920	1,001,966
Fair housing/community development	1,182,831	1,078,935
Capacity building	834,189	848,704
Criminal justice	177,604	24,409
Census	133,956	133,956
COVID-19	45,931	45,931
Black voices, black justice	224,904	718,774
Education	448,281	840,441
Digital justice	570,197	1,061,008
Other	624,163	46,164
Net assets subject to purpose restrictions	12,329,549	11,808,251
Endowment	4,745,470	3,347,537
<b>Total net assets with donor restrictions</b>	<b>\$ 17,075,019</b>	<b>\$ 15,155,788</b>

The Lawyers' Committee's endowments consist of funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with these endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

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During the year ended December 31, 2013, the Lawyers' Committee received a \$2,000,000 contribution from the Ford Foundation. The grant is to be used to create an operating reserve fund ("the Reserve"). The Lawyers' Committee is permitted to borrow funds from the Reserve as long as such borrowings comply with the approved policy governing the use of the funds. The Lawyers' Committee is also encouraged to have a repayment plan in place for any borrowings made from the Reserve. Investment earnings related to the Reserve are available for current year operations.

During the year ended December 31, 2022, the Lawyers' Committee received a \$2,000,000 promise to give from a law firm for the purpose of establishing an endowed fund for the purpose of funding Fellowships and Internships for HBCU students and graduates. The funds were received in January 2023. The Lawyers' Committee agreed that annual draws against the fund will amount to no more than 5% of the total fund so that the fund may grow in perpetuity. No more than 10% of the annual draw may be used for programmatic costs directly associated with the management of the fund.

**Interpretation of relevant law:** Though the Board of Directors of the Lawyers' Committee has not conducted a formal analysis of its compliance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") enacted by the District of Columbia in 2008, the Board has established policies regarding the preservation, investment and expenditure of these net assets.

**Funds with deficiencies:** From time to time, the fair value of assets associated with individual donor- restricted Lawyers' Committee funds may fall below the level that current law requires the Lawyers' Committee to retain for a fund of perpetual duration. As of December 31, 2022 and 2021, there were no such deficiencies.

**Return objectives and risk parameters:** The Board of Directors of the Lawyers' Committee has adopted a policy for the management of the Lawyers' Committee's assets. These investment policies articulate the broad investment philosophy that governs the management of the assets of the Lawyers' Committee.

**Strategies employed for achieving objectives:** The Lawyers' Committee is committed to a long-term approach with a balanced program of investments to preserve and enhance the real purchasing power of the fund so as to provide a stable and, in real terms, constant stream of investment income. The Lawyers' Committee's investment objective is to attain a rate of return comparable to relevant investment indexes.

The following is a summary of donor-restricted endowment activity and composition as of and for the years ended December 31, 2022 and 2021:

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

	2022		
	Accumulated Earnings	Original Value	Total
Beginning of year	\$ 1,197,028	\$ 2,150,509	\$ 3,347,537
Contributions	-	2,000,000	2,000,000
Net investment loss	(602,067)	-	(602,067)
End of year	\$ 594,961	\$ 4,150,509	\$ 4,745,470
	2021		
	Accumulated Earnings	Original Value	Total
Beginning of year	\$ 996,889	\$ 2,150,509	\$ 3,147,398
Net investment return	200,139	-	200,139
End of year	\$ 1,197,028	\$ 2,150,509	\$ 3,347,537

### 9. Employee annuity plan

The Lawyers' Committee has a tax-deferred annuity plan as described in Section 403(b) of the Internal Revenue Code covering substantially all employees. The employer has the option of contributing or not contributing to the plan each year. Expenses related to this plan were \$274,761 and \$337,401 for the years ended December 31, 2022 and 2021, respectively.

During 2018, the Lawyers' Committee created a nonqualified deferred compensation plan under section 457(b) of the IRC for the benefit of a key employee. Amounts held under the Plan are reported in the Statements of Financial Position.

### 10. Leases

On December 22, 2017, the Lawyers' Committee entered into an office space lease at 1500 K Street, NW, Washington, D.C. The rent commencement date for the 1500 K Street lease was July 1, 2018. The lease is scheduled to expire on June 30, 2031 and the Lawyers' Committee has the option to extend the lease term for an additional 60 months. The lease provides for abatement of the first 16 months of rent and a total tenant improvement and structural penetration allowance of up to \$2,337,915. The Lawyers' Committee was required to provide a security deposit to the landlord. Thus, the Lawyers' Committee had provided a \$498,978 letter of credit, issued by a commercial bank, in favor of the landlord as of December 31, 2019. The letter of credit was not renewed in 2020. As a result, \$498,978 was transferred to the landlord during 2020 to be held as a security deposit. This amount was included within the December 31, 2020 balance of prepaid expenses. In April 2021, the Lawyers' Committee obtained a \$600,000 letter of credit to serve as the security deposit. This letter of credit was to expire in April 2022. The letter was amended during 2022, in accordance with the lease agreement, to reduce the letter of credit and corresponding security deposit to \$299,386. The Lawyers' Committee's letters of credit are secured by cash deposits included within cash and cash equivalents on the Statements of Financial Position.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

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The office space leases contain annual escalation clauses, which adjust base rentals.

For the year ended December 31, 2021, total lease expense was \$1,059,837.

Future minimum lease payments for the office lease were as follows:

Years ending December 31:	
2022	\$ 1,314,583
2023	1,347,471
2024	1,381,077
2025	1,415,606
2026	1,451,058
Thereafter	7,115,543
	<hr/>
Total	\$ 14,025,338

The Organization evaluated current contracts to determine which met the criteria of a lease. The right-of-use assets represent the Organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2022, was 1.63%.

For the year ended December 31, 2022, total lease expense was \$1,070,418. As of December 31, 2022, the weighted-average remaining lease term for the Organization's operating leases was approximately 8.6 years.

Cash paid for operating leases for the year ended December 31, 2022 was \$1,314,554. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 1.

# Lawyers' Committee for Civil Rights Under Law

## Notes to Financial Statements

Future maturities of the lease liability are presented in the following table, for fiscal years ending December 31:

2023	\$ 1,347,418
2024	1,381,103
2025	1,415,631
2026	1,451,022
2027	1,487,297
Thereafter	5,637,941
Total	12,720,412
Imputed interest	(887,108)
Lease liability- operating	\$ 11,833,304

### 11. Commitments and contingencies

**Employment contract:** The Lawyers' Committee has entered into an employment agreement with its President and Executive Director. The agreement stipulates that the Lawyers' Committee will be liable for severance and other payments under certain circumstances.

**Contingencies:** The Lawyers' Committee is a named defendant in a lawsuit filed during 2022, and is vigorously defending itself against the lawsuit. In the opinion of management, the matters which are asserted are without merit. The likelihood of an outcome in the legal proceedings cannot be determined and no liability relating to the lawsuit has been recorded as of December 31, 2022.

In the current and prior years, the Lawyers' Committee has received revenue from private foundations and the U.S. Federal government. These contracts are subject to audit by the contributing entity. However, the Lawyers' Committee believes that adjustments, if any, as a result of such audits will not have a material effect upon the financial statements.