

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

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

Lawyers' Committee for Civil Rights Under Law

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Independent Auditors' 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, 2025 and 2024, 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 **Lawyers' Committee for Civil Rights Under Law** as of December 31, 2025 and 2024, 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 Auditors' 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 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.

Independent Auditors' 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.

Auditors' 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 auditors' 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.

Aprio, LLP

Rockville, Maryland
June 27, 2026

Lawyers' Committee for Civil Rights Under Law

Statements of Financial Position

<i>December 31,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 2,099,955	\$ 2,587,143
Investments	62,588,680	58,896,574
Accounts receivable	125,948	72,010
Grants receivable, net	3,197,500	3,190,799
Promises to give, net	1,705,375	1,649,543
Prepaid expenses and other assets	921,291	715,516
Deferred compensation assets	26,340	21,901
Property and equipment, net	1,596,456	1,850,611
Right-of-use asset- operating	5,857,768	6,824,350
Total assets	\$ 78,119,313	\$ 75,808,447
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 374,913	\$ 391,471
Accrued expenses	848,658	681,716
Custodial escrow funds	129,612	129,612
Payroll taxes and related liabilities	20,885	10,623
Deferred revenue	32,500	-
Deferred compensation liabilities	26,340	21,901
Lease liability- operating	8,183,108	9,454,024
Total liabilities	9,616,016	10,689,347
Net assets		
Without donor restrictions - undesignated	52,694,360	49,714,301
Without donor restrictions - designated	33,770	33,770
Total net assets without donor restrictions	52,728,130	49,748,071
With donor restrictions	15,775,167	15,371,029
Total net assets	68,503,297	65,119,100
Total liabilities and net assets	\$ 78,119,313	\$ 75,808,447

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

Years ended December 31,	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Public support	\$ 4,713,943	\$ 11,169,128	\$ 15,883,071	\$ 5,140,145	\$ 8,412,895	\$ 13,553,040
Special event: Higginbotham Dinner net of direct expenses of \$730,824 and \$568,107, respectively	1,031,740	-	1,031,740	886,825	-	886,825
Legal fees from court awards	-	-	-	307,860	-	307,860
Interest and other income	2,047,464	191,160	2,238,624	2,461,043	170,205	2,631,248
Net assets released from restrictions	11,684,470	(11,684,470)	-	11,818,372	(11,818,372)	-
Total revenue and support	19,477,617	(324,182)	19,153,435	20,614,245	(3,235,272)	17,378,973
Expenses						
Program services						
Criminal justice	586,231	-	586,231	536,032	-	536,032
Voting rights	4,293,793	-	4,293,793	7,047,464	-	7,047,464
Fair housing / community development	588,071	-	588,071	743,847	-	743,847
Educational opportunities	1,519,291	-	1,519,291	1,104,339	-	1,104,339
Economic justice and COVID-19	1,303,671	-	1,303,671	924,061	-	924,061
Digital justice	769,088	-	769,088	642,298	-	642,298
Legal mobilization and public policy	1,045,188	-	1,045,188	708,272	-	708,272
Public education and general legal	1,464,625	-	1,464,625	1,096,264	-	1,096,264
Pro bono and legal partnerships	149,517	-	149,517	143,817	-	143,817
Total program services	11,719,475	-	11,719,475	12,946,394	-	12,946,394
Supporting activities						
Management and general	4,781,306	-	4,781,306	4,523,790	-	4,523,790
Fundraising	3,526,257	-	3,526,257	2,526,125	-	2,526,125
Total supporting activities	8,307,563	-	8,307,563	7,049,915	-	7,049,915
Total expenses	20,027,038	-	20,027,038	19,996,309	-	19,996,309
Change in net assets before net return on investments and donated services	(549,421)	(324,182)	(873,603)	617,936	(3,235,272)	(2,617,336)
Net realized and unrealized gain on investments	3,529,480	728,320	4,257,800	2,770,209	500,047	3,270,256
In-kind legal services	53,480,355	-	53,480,355	131,552,324	-	131,552,324
Imputed program service expense for in-kind legal services	(53,480,355)	-	(53,480,355)	(131,552,324)	-	(131,552,324)
Change in net assets	2,980,059	404,138	3,384,197	3,388,145	(2,735,225)	652,920
Net assets, beginning of year	49,748,071	15,371,029	65,119,100	46,359,926	18,106,254	64,466,180
Net assets, end of year	\$ 52,728,130	\$ 15,775,167	\$ 68,503,297	\$ 49,748,071	\$ 15,371,029	\$ 65,119,100

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

Lawyers' Committee for Civil Rights Under Law

Statements of Functional Expenses

Year ended December 31, 2025	Program Services										Supporting Activities			
	Criminal Justice	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	Pro Bono & Legal Partnerships	Total Program Services	Management and General	Fundraising	Total Supporting Activities	Total Expenses
Salaries and benefits:														
Salaries	\$ 348,603	\$ 2,410,125	\$ 382,415	\$ 982,538	\$ 791,991	\$ 486,932	\$ 672,243	\$ 457,481	\$ 91,026	\$ 6,623,354	\$ 2,490,136	\$ 1,023,627	\$ 3,513,763	\$ 10,137,117
Benefits	99,495	729,992	113,867	293,603	237,157	147,395	205,646	136,339	27,395	1,990,889	126,713	310,933	437,646	2,428,535
Total salaries and benefits	448,098	3,140,117	496,282	1,276,141	1,029,148	634,327	877,889	593,820	118,421	8,614,243	2,616,849	1,334,560	3,951,409	12,565,652
Contractual services and co-counsel fees	25,899	20,561	1,987	37,358	128,841	2,787	4,006	123,909	954	346,302	1,140,412	799,332	1,939,744	2,286,046
Technology and research	3,432	419,818	4,426	13,177	6,010	4,853	28,582	53,132	1,716	535,146	38,744	55,887	94,631	629,777
Lease expense	32,298	346,127	40,590	116,462	55,991	47,592	75,611	176,735	16,829	908,235	227,421	128,806	356,227	1,264,462
Communications	-	31,359	-	-	-	-	-	-	-	31,359	4,468	953,143	957,611	988,970
Dinner costs	-	-	-	-	-	-	-	-	-	-	-	730,823	730,823	730,823
Office expenses	53,456	40,514	4,178	12,108	40,645	7,335	18,246	81,350	3,024	260,856	311,185	10,019	321,204	582,060
Depreciation and amortization	8,322	90,936	10,411	29,508	14,343	12,043	19,326	45,111	4,281	234,281	57,847	32,505	90,352	324,633
Travel and meetings	5,516	180,876	26,721	22,378	24,221	13,292	15,105	27,683	3,748	319,540	235,808	193,345	429,153	748,693
Court costs and professional dues	8,172	8,801	2,940	10,597	3,549	45,671	5,559	237,744	357	323,390	137,951	15,000	152,951	476,341
Supplies and materials	1,038	14,684	536	1,562	923	1,188	864	125,141	187	146,123	10,621	3,661	14,282	160,405
Less, Higginbotham Dinner expenses included with revenue	-	-	-	-	-	-	-	-	-	-	-	(730,824)	(730,824)	(730,824)
Total expenses	586,231	4,293,793	588,071	1,519,291	1,303,671	769,088	1,045,188	1,464,625	149,517	11,719,475	4,781,306	3,526,257	8,307,563	20,027,038
In-kind legal services	13,427,670	14,933,750	5,520,572	2,357,130	10,821,466	194,457	-	6,225,310	-	53,480,355	-	-	-	53,480,355
Total expenses per Statements of Activities and Changes in Net Assets	\$ 14,013,901	\$ 19,227,543	\$ 6,108,643	\$ 3,876,421	\$ 12,125,137	\$ 963,545	\$ 1,045,188	\$ 7,689,935	\$ 149,517	\$ 65,199,830	\$ 4,781,306	\$ 3,526,257	\$ 8,307,563	\$ 73,507,393

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

Lawyers' Committee for Civil Rights Under Law

Statements of Functional Expenses (Continued)

Year ended December 31, 2024	Program Services										Supporting Activities			
	Criminal Justice	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	Pro Bono & Legal Partnerships	Total Program Services	Management and General	Fundraising	Total Supporting Activities	Total Expenses
Salaries and benefits:														
Salaries	\$ 380,649	\$ 2,922,126	\$ 471,923	\$ 726,979	\$ 666,121	\$ 440,904	\$ 482,481	\$ 411,284	\$ 95,846	\$ 6,598,313	\$ 1,944,592	\$ 1,112,024	\$ 3,056,616	\$ 9,654,929
Benefits	92,650	695,871	113,504	173,015	157,092	106,992	113,707	101,238	22,475	1,576,544	135,987	263,018	399,005	1,975,549
Total salaries and benefits	473,299	3,617,997	585,427	899,994	823,213	547,896	596,188	512,522	118,321	8,174,857	2,080,579	1,375,042	3,455,621	11,630,478
Contractual services and co-counsel fees	2,428	300,784	19,282	23,536	21,087	25,892	3,573	138,643	944	536,169	1,279,307	680,047	1,959,354	2,495,523
Technology and research	4,310	604,695	5,262	12,965	4,237	4,193	22,021	45,060	1,791	704,534	46,344	52,609	98,953	803,487
Lease expense	33,618	413,479	41,273	95,759	34,394	35,661	56,378	148,734	15,341	874,637	195,637	126,550	322,187	1,196,824
Communications	21	1,700,363	-	-	-	-	-	-	-	1,700,384	23,270	80,003	103,273	1,803,657
Dinner costs	-	-	-	-	-	-	-	-	-	-	-	568,107	568,107	568,107
Office expenses	4,423	2,802	61,246	6,738	-	8,252	3,162	10,562	874	98,059	573,189	66,749	639,938	737,997
Depreciation and amortization	8,014	98,347	9,869	22,882	8,215	8,515	13,448	35,496	3,667	208,453	67,025	30,187	97,212	305,665
Travel and meetings	5,431	273,962	17,284	33,609	18,124	5,071	9,383	23,355	2,241	388,460	184,565	104,002	288,567	677,027
Court costs and professional dues	3,934	20,665	3,571	6,678	3,075	4,545	2,695	94,717	351	140,231	61,098	1,696	62,794	203,025
Supplies and materials	554	14,370	633	2,178	11,716	2,273	1,424	87,175	287	120,610	12,776	9,240	22,016	142,626
Less, Higginbotham Dinner expenses included with revenue	-	-	-	-	-	-	-	-	-	-	-	(568,107)	(568,107)	(568,107)
Total expenses	536,032	7,047,464	743,847	1,104,339	924,061	642,298	708,272	1,096,264	143,817	12,946,394	4,523,790	2,526,125	7,049,915	19,996,309
In-kind legal services	4,708,979	104,424,684	4,122,076	1,925,651	7,366,943	-	-	-	-	122,548,333	-	9,003,991	9,003,991	131,552,324
Total expenses per Statements of Activities and Changes in Net Assets	\$ 5,245,011	\$ 111,472,148	\$ 4,865,923	\$ 3,029,990	\$ 8,291,004	\$ 642,298	\$ 708,272	\$ 1,096,264	\$ 143,817	\$ 135,494,727	\$ 4,523,790	\$ 11,530,116	\$ 16,053,906	\$ 151,548,633

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>	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 3,384,197	\$ 652,920
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	324,633	305,665
Net realized and unrealized gain on investments	(4,257,800)	(3,270,256)
Loss on disposal of property and equipment	-	7,006
Change in allowance for doubtful promises to give	(82,725)	-
(Increase) decrease in:		
Accounts receivable	(53,938)	78,383
Grants receivable, net	(6,701)	323,201
Promises to give, net	26,893	378,142
Prepaid expenses	(205,775)	41,480
Deferred compensation assets	(4,439)	-
Right-of-use asset- operating	966,582	946,351
Increase (decrease) in:		
Accounts payable	(16,558)	150,007
Accrued expenses	166,942	(6,066,732)
Payroll taxes and related liabilities	10,262	(10,972)
Deferred revenue	32,500	-
Deferred compensation liabilities	4,439	-
Lease liability- operating	(1,270,916)	(1,216,159)
Net cash used in operating activities	(982,404)	(7,680,964)
Cash flows from investing activities		
Purchases of property and equipment	(70,478)	(428,683)
Proceeds from sale of investments	3,017,698	4,547,346
Purchases of investments	(2,452,004)	(3,181,179)
Net cash provided by investing activities	495,216	937,484
Net change in cash and cash equivalents	(487,188)	(6,743,480)
Cash and cash equivalents, beginning of year	2,587,143	9,330,623
Cash and cash equivalents, end of year	\$ 2,099,955	\$ 2,587,143

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.

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

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, 2025 and 2024, 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, 2022 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.

The Lawyers' Committee received funds from class action lawsuits in previous years, and maintains a separate account to hold funds it has not been able to distribute to unlocated claimants. The amount is presented as cash and custodial escrow funds on the Statements of Financial Position. For the years ended December 31, 2025 and 2024, the balance was \$129,612.

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, 2025 and 2024, the Lawyers' Committee's cash balance held at the commercial banks exceeded the insured limit by \$713,702 and \$1,164,430, respectively. The Lawyers' Committee has not experienced any losses through the date when the financial statements were available to be issued.

The Lawyers' Committee maintained a sweep account invested in a money market fund. This investment is not insured by the FDIC, is not a deposit or obligation of the bank, and is subject to investment risks, including the possible loss of principal. As of December 31, 2025 and 2024, the balances held in the sweep account were approximately \$913,000 and \$893,000, respectively.

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.

Lawyers' Committee for Civil Rights Under Law

Notes to Financial Statements

Investments: Investments in marketable securities are reflected at fair value. Interest income is recognized on the accrual basis and dividends are recognized on the ex-dividend date. The change in fair value of these investments is recorded as a component of net realized and unrealized gain on investments in the Statements of Activities and Changes in Net Assets.

Accounts receivable: Accounts receivable are recorded at their net realizable value, which approximates fair value. The Committee adopted Accounting Standards Board (FASB) issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)*, or ("CECL"). The Committee applies the current expected credit loss model to receivables arising from exchange transactions (e.g., fees for service). Receivables from nonexchange transactions, such as unconditional promises to give (e.g., contributions and grants), are evaluated separately under applicable accounting guidance. As a practical expedient, the Committee assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset when developing reasonable and supportable forecasts. At December 31, 2025 and 2024, no allowance for credit losses was deemed necessary.

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 3.47% and 5.25% as of December 31, 2025 and 2024, respectively. Conditional promises to give are not included as support until the conditions are substantially met. Bad debt expense was \$18,775 and \$207,970 for the years ended December 31, 2025 and 2024, respectively. Grants receivable are presented net of a discount to present value of \$42,136 as of December 31, 2025 and 2024. Promises to give are presented net of an allowance for doubtful accounts of \$36,275 and \$119,000 as of December 31, 2025 and 2024, respectively. At December 31, 2025 and 2024, approximately 81% of grants receivable were due from five donors and 78% of grants receivable were due from three donors, respectively.

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. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation are eliminated from the accounts, and any resulting gain or loss is recognized. 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. The Organization did not recognize an impairment charge on its long-lived assets during the years ended December 31, 2025 and 2024.

Leases: Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

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, except those with an original lease term of twelve months or less (short-term leases). 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 for 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

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 period. 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. As of December 31, 2025, there were no concentrations of public support. As of December 31, 2024, approximately 10% of public support contributions were made by one donor.

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 \$53,480,355 and \$131,552,324 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, approximately 32% of in-kind legal services were made by 2 donors. As of December 31, 2024, there were no concentrations of in-kind legal services.

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

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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, except for court costs and professional dues.

Expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and benefits	Time and effort
Contractual service and co-counsel fees	Time and effort
Technology and research	Time and effort
Lease expense	Time and effort
Communications	Time and effort
Dinner costs	Direct allocation
Office expense	Time and effort
Depreciation and amortization	Time and effort
Travel and meetings	Time and effort
Court costs and professional dues	Direct allocation
Supplies and materials	Time and effort
In-kind legal services	Time and effort

Subsequent events: Subsequent events have been evaluated through June 27, 2026, which is the date the financial statements were available to be issued.

Lawyers' Committee for Civil Rights Under Law

Notes to Financial Statements

2. Liquidity and availability of resources

The following represents the Lawyers' Committee's financial assets at December 31, 2025 and 2024:

	2025	2024
Cash and cash equivalents	\$ 2,099,955	\$ 2,587,143
Investments	62,588,680	58,896,574
Accounts receivable	125,948	72,010
Grants receivable, net	3,197,500	3,190,799
Promises to give, net	1,705,375	1,649,543
Total financial assets	69,717,458	66,396,069
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	(15,775,167)	(15,371,029)
Financial assets available to meet general expenditures within one year	\$ 53,778,909	\$ 50,861,658

The Lawyers' Committee's process of liquidity management calls for maintaining 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

Lawyers' Committee for Civil Rights Under Law

Notes to Financial Statements

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 and mutual and exchange traded funds 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:

	2025				
	Total	Fair Value			
		Level 1	Level 2	Level 3	
Investments;					
Common stock	\$ 19,007,444	\$ 19,007,444	\$ -	\$ -	-
U.S. government securities	15,560,405	-	15,560,405	-	-
Corporate bonds	3,612,233	-	3,612,233	-	-
Mutual funds and ETFs - equities	12,975,938	12,975,938	-	-	-
Mutual funds and ETFs - fixed income	8,724,807	8,724,807	-	-	-
Investments carried at fair value	59,880,827	40,708,189	19,172,638	-	-
Cash management fund	2,707,853				
Total investments	\$ 62,588,680				

	2024				
	Total	Fair Value			
		Level 1	Level 2	Level 3	
Investments;					
Common stock	\$ 17,296,564	\$ 17,296,564	\$ -	\$ -	-
U.S. government securities	16,169,167	-	16,169,167	-	-
Corporate bonds	2,921,413	-	2,921,413	-	-
Mutual funds and ETFs - equities	11,925,074	11,925,074	-	-	-
Mutual funds and ETFs - fixed income	8,016,559	8,016,559	-	-	-
Investments carried at fair value	56,328,777	37,238,197	19,090,580	-	-
Cash management fund	2,567,797				
Total investments	\$ 58,896,574				

Lawyers' Committee for Civil Rights Under Law

Notes to Financial Statements

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(b) deferred compensation plans at fair value as of December 31:

	2025			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Deferred compensation assets;				
Mutual funds and ETFs - equities	\$ 26,340	\$ 26,340	\$ -	\$ -
Total deferred compensation assets	\$ 26,340	\$ 26,340	\$ -	\$ -

	2024			
	Total	Fair Value		
		Level 1	Level 2	Level 3
Deferred compensation assets;				
Mutual funds and ETFs - equities	\$ 21,888	\$ 21,888	\$ -	\$ -
Investments carried at fair value	21,888	21,888	-	-
Cash management fund	13			
Total deferred compensation assets	\$ 21,901			

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 on December 31, 2025 and 2024:

	2025	2024
Due in less than one year	\$ 4,346,286	\$ 4,030,867
Due in one to five years	635,000	970,611
Less: discount to present value	(42,136)	(42,136)
Less: allowance for doubtful accounts	(36,275)	(119,000)
Grants receivable and promise to give, net	\$ 4,902,875	\$ 4,840,342
Grants receivable, net	\$ 3,197,500	\$ 3,190,799
Promise to give, net	1,705,375	1,649,543
Grants receivable and promises to give, net	\$ 4,902,875	\$ 4,840,342

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:

	2025	2024
Furniture and equipment	\$ 534,904	\$ 534,904
Computers and software	1,420,809	1,350,330
Leasehold improvements	2,414,855	2,414,855
Total	\$ 4,370,568	\$ 4,300,089
Less: accumulated depreciation	(2,774,112)	(2,449,478)
Property and equipment, net	\$ 1,596,456	\$ 1,850,611

Depreciation and amortization expense for the years ended December 31, 2025 and 2024 totaled \$324,633 and \$305,665, 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, 2025 and 2024. Interest expense incurred under the revolving line of credit for the years ended December 31, 2025 and 2024 was \$0.

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, 2025 and 2024:

	2025	2024
Domestic Legal Assistance Fund	\$ 16,728	\$ 16,728
Anniversary Fund	11,242	11,242
Lloyd Cutler Memorial Fund	5,800	5,800
Board designated net assets	\$ 33,770	\$ 33,770

Lawyers' Committee for Civil Rights Under Law

Notes to Financial Statements

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, 2025 and 2024:

	2025	2024
Purpose-restricted net assets:		
Voting rights	\$ 540,697	\$ 2,610,768
Economic justice	474,797	1,560,895
Program services	816,795	816,795
Fair housing/community development	898,126	1,018,963
Capacity building	232,719	232,719
Criminal justice	-	362,608
Census	133,956	133,956
COVID-19	45,931	45,931
Black voices, black justice	5,401	5,401
Education	1,290,258	2,094,675
Other	2,969,395	364,066
Net assets subject to purpose restrictions	7,408,075	9,246,777
Endowment	8,367,092	6,124,252
Total net assets with donor restrictions	\$ 15,775,167	\$ 15,371,029

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.

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.

Lawyers' Committee for Civil Rights Under Law

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During the year ended December 31, 2025, the Lawyers' Committee received a \$1,500,000 contribution from the Why Not Initiative. The contribution is to be used to create an endowment for general operating purposes. The Lawyers' Committee can spend the greater of (a) 7% of the fair market value of fund assets as of December 31 of the previous calendar years, or (b) a fixed amount equal to \$100,000, adjusted for inflation every 5 years beginning 5 years after the year the agreement is signed and rounded to the nearest \$5,000. The fund must also be invested in equity funds described as "socially responsible investments".

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, 2025 and 2024, 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:

	2025		
	Accumulated earnings	Original value	Total
Beginning of year	\$ 1,527,953	\$ 4,596,299	\$ 6,124,252
Contributions	-	1,500,000	1,500,000
Releases	(31,154)	-	(31,154)
Net investment income	773,994	-	773,994
End of year	\$ 2,270,793	\$ 6,096,299	\$ 8,367,092

Lawyers' Committee for Civil Rights Under Law

Notes to Financial Statements

	2024		
	Accumulated earnings	Original value	Total
Beginning of year	\$ 1,058,208	\$ 4,596,299	\$ 5,654,507
Releases	(154,482)	-	(154,482)
Net investment income	624,227	-	624,227
End of year	\$ 1,527,953	\$ 4,596,299	\$ 6,124,252

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 \$318,245 and \$287,564 for the years ended December 31, 2025 and 2024, 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. For the years ended December 31, 2025 and 2024, expenses related to this plan were \$0 and \$36,381, respectively.

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.

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

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The Lawyers' Committee 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, 2025 and 2024 was 1.63%.

For the years ended December 31, 2025 and 2024, total lease expense was \$1,264,462 and \$1,196,824, respectively. As of December 31, 2025 and 2024, the weighted-average remaining lease term for the Lawyers' Committee's operating leases were approximately 5.6 and 6.6 years, respectively.

Cash paid for operating leases for the years ended December 31, 2025 and 2024 was \$1,451,631 and \$1,381,103, respectively. There were no noncash investing and financing transactions related to leasing.

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

2026	\$ 1,451,022
2027	1,487,297
2028	1,524,480
2029	1,562,592
2030	1,601,657
Thereafter	949,212
Total	8,576,260
Imputed interest	(393,152)
Lease liability - operating	\$ 8,183,108

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: In 2023 and 2022, the Lawyers' Committee was involved in litigation with an outside party. The matter was settled confidentially in 2024 and an accrual was made for the settlement in accordance with the guidance in ASC 855, *Subsequent Events*, and was recorded with court costs and professional dues on the Statement of Functional Expenses in 2023.

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.