

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

Financial Report  
December 31, 2019

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RSM US LLP

## Independent Auditor's Report

Board of Directors and Trustees  
The Lawyers' Committee for Civil Rights Under Law

We have audited the accompanying financial statements of Lawyers' Committee for Civil Rights Under Law (Lawyers' Committee) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Lawyers' Committee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Lawyers' Committee's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

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, 2019, 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.

**Other Matter**

The financial statements of the Lawyers' Committee, as of and for the year ended December 31, 2018, were audited by other auditors whose report dated November 18, 2019, expressed an unmodified opinion on those statements.

*RSM US LLP*

Washington, D.C.  
November 18, 2020

Lawyers' Committee for Civil Rights Under Law

Statements of Financial Position  
December 31, 2019 and 2018

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| <b>Assets</b>                                      |                      |                      |
| Cash and cash equivalents                          | \$ 6,390,474         | \$ 5,562,941         |
| Investments  | 6,760,140            | 4,039,835            |
| Accounts receivable                                | 64,563               | 56,956               |
| Grants receivable, net                             | 4,110,865            | 2,786,472            |
| Promises to give, net                              | 226,363              | 923,588              |
| Prepaid expenses and other                         | 223,307              | 219,051              |
| Property and equipment, net                        | 2,626,043            | 2,699,859            |
|  | <hr/>                | <hr/>                |
| <b>Total assets</b>                                | <b>\$ 20,401,755</b> | <b>\$ 16,288,702</b> |
| <b>Liabilities and net assets</b>                  |                      |                      |
| Liabilities:                                       |                      |                      |
| Accounts payable                                   | \$ 300,647           | \$ 426,640           |
| Accrued expenses                                   | 382,612              | 472,341              |
| Deferred revenue                                   | 21,000               | -                    |
| Custodial escrow funds                             | 129,612              | 129,612              |
| Payroll taxes and related liabilities              | 41,778               | 35,749               |
| Deferred rent and construction allowance           | 3,623,303            | 2,735,594            |
|  | <hr/>                | <hr/>                |
| <b>Total liabilities</b>                           | <b>4,498,952</b>     | <b>3,799,936</b>     |
| Commitments and contingencies (Note 8)             |                      |                      |
| Net assets:  |                      |                      |
| Without donor restrictions                         |                      |                      |
| Undesignated                                       | 5,230,061            | 4,925,933            |
| Board-designated funds                             | 33,770               | 33,770               |
|  | <hr/>                | <hr/>                |
| <b>Total net assets without donor restrictions</b> | <b>5,263,831</b>     | <b>4,959,703</b>     |
| With donor restrictions                            | 10,638,972           | 7,529,063            |
|  | <hr/>                | <hr/>                |
| <b>Total net assets</b>                            | <b>15,902,803</b>    | <b>12,488,766</b>    |
|  | <hr/>                | <hr/>                |
| <b>Total liabilities and net assets</b>            | <b>\$ 20,401,755</b> | <b>\$ 16,288,702</b> |

See notes to financial statements.

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

**Statement of Activities**

**Year Ended December 31, 2019**

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| <b>Revenue and other support:</b>  |                               |                            |                      |
| Public support   | \$ 3,626,383                  | \$ 6,867,077               | \$ 10,493,460        |
| Special event: Higginbotham Dinner net of direct expenses of \$327,677                             | 1,377,327                     | -                          | 1,377,327            |
| Interest and other income  | 158,848                       | 421,990                    | 580,838              |
| Legal fees from court awards   | 522,696                       | 10,199                     | 532,895              |
| Net assets released from restrictions  | 4,309,391                     | (4,309,391)                | -                    |
| Reserve on restricted promises to give   | -                             | (303,194)                  | (303,194)            |
| <b>Total revenue and other support</b>   | <b>9,994,645</b>              | <b>2,686,681</b>           | <b>12,681,326</b>    |
| <b>Expenses:</b>   |                               |                            |                      |
| <b>Program services:</b>   |                               |                            |                      |
| Voting rights  | 2,385,664                     | -                          | 2,385,664            |
| Public education and general legal   | 1,878,852                     | -                          | 1,878,852            |
| Criminal justice   | 673,267                       | -                          | 673,267              |
| Educational opportunities  | 540,231                       | -                          | 540,231              |
| Stop Hate  | 609,884                       | -                          | 609,884              |
| Fair housing/community development   | 603,939                       | -                          | 603,939              |
| Economic justice   | 629,437                       | -                          | 629,437              |
| Fellowships  | 575,499                       | -                          | 575,499              |
| Legal mobilization and public policy   | 294,691                       | -                          | 294,691              |
| NC regional office   | 167,510                       | -                          | 167,510              |
| Census   | 50,248                        | -                          | 50,248               |
| Capacity building  | 15,377                        | -                          | 15,377               |
| <b>Total program services</b>  | <b>8,424,599</b>              | <b>-</b>                   | <b>8,424,599</b>     |
| <b>Supporting services:</b>  |                               |                            |                      |
| Management and general   | 732,837                       | -                          | 732,837              |
| Fundraising  | 681,209                       | -                          | 681,209              |
| <b>Total supporting services</b>   | <b>1,414,046</b>              | <b>-</b>                   | <b>1,414,046</b>     |
| <b>Total expenses</b>  | <b>9,838,645</b>              | <b>-</b>                   | <b>9,838,645</b>     |
| <b>Change in net assets before net return on<br/>investments, donated services, and other item</b> | <b>156,000</b>                | <b>2,686,681</b>           | <b>2,842,681</b>     |
| Net return on investments  | (37,356)                      | 423,228                    | 385,872              |
| In-kind legal services   | 24,472,138                    | -                          | 24,472,138           |
| Imputed program service expense for in-kind legal services   | (24,472,138)                  | -                          | (24,472,138)         |
| Acquisition of Chambers Center for Civil Rights net assets   | 185,484                       | -                          | 185,484              |
| <b>Change in net assets</b>  | <b>304,128</b>                | <b>3,109,909</b>           | <b>3,414,037</b>     |
| <b>Net assets:</b>   |                               |                            |                      |
| Beginning  | 4,959,703                     | 7,529,063                  | 12,488,766           |
| Ending   | <b>\$ 5,263,831</b>           | <b>\$ 10,638,972</b>       | <b>\$ 15,902,803</b> |

See notes to financial statements.

## Lawyers' Committee for Civil Rights Under Law

### Statement of Activities

Year Ended December 31, 2018

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total             |
|---|-------------------------------|----------------------------|-------------------|
| <b>Revenue and other support:</b>   |                               |                            |                   |
| Public support  | \$ 4,500,105                  | \$ 3,628,651               | \$ 8,128,756      |
| Special event: Higginbotham Dinner net of direct expenses of \$357,200            | 2,029,170                     | -                          | 2,029,170         |
| Interest and other income   | 268,491                       | 52,474                     | 320,965           |
| Legal fees from court awards  | 1,449,390                     | -                          | 1,449,390         |
| Net assets released from restrictions   | 5,449,573                     | (5,449,573)                | -                 |
| Reserve on restricted promises to give  | -                             | (362,688)                  | (362,688)         |
| <b>Total revenue and other support</b>  | <b>13,696,729</b>             | <b>(2,131,136)</b>         | <b>11,565,593</b> |
| <b>Expenses:</b>  |                               |                            |                   |
| <b>Program services:</b>  |                               |                            |                   |
| Voting rights   | 2,355,691                     | -                          | 2,355,691         |
| Public education and general legal  | 1,593,109                     | -                          | 1,593,109         |
| Criminal justice  | 586,521                       | -                          | 586,521           |
| Educational opportunities   | 663,851                       | -                          | 663,851           |
| Stop Hate   | 651,155                       | -                          | 651,155           |
| Fair housing/community development  | 599,793                       | -                          | 599,793           |
| Economic justice  | 522,076                       | -                          | 522,076           |
| Fellowships   | 519,030                       | -                          | 519,030           |
| Legal mobilization and public policy  | 300,899                       | -                          | 300,899           |
| <b>Total program services</b>   | <b>7,792,125</b>              | <b>-</b>                   | <b>7,792,125</b>  |
| <b>Supporting services:</b>   |                               |                            |                   |
| Management and general  | 1,072,905                     | -                          | 1,072,905         |
| Fundraising   | 633,928                       | -                          | 633,928           |
| <b>Total supporting services</b>  | <b>1,706,833</b>              | <b>-</b>                   | <b>1,706,833</b>  |
| <b>Total expenses</b>   | <b>9,498,958</b>              | <b>-</b>                   | <b>9,498,958</b>  |
| <b>Change in net assets before net return on investments and donated services</b> | <b>4,197,771</b>              | <b>(2,131,136)</b>         | <b>2,066,635</b>  |
| Net return on investments   | -                             | (203,212)                  | (203,212)         |
| In-kind legal services  | 45,803,803                    | -                          | 45,803,803        |
| Imputed program service expense for in-kind legal services                        | (45,803,803)                  | -                          | (45,803,803)      |
| <b>Change in net assets</b>   | <b>4,197,771</b>              | <b>(2,334,348)</b>         | <b>1,863,423</b>  |
| <b>Net assets:</b>  |                               |                            |                   |
| Beginning   | 761,932                       | 9,863,411                  | 10,625,343        |
| Ending  | \$ 4,959,703                  | \$ 7,529,063               | \$ 12,488,766     |

See notes to financial statements.

Lawyers' Committee for Civil Rights Under Law

Statement of Functional Expenses  
Year Ended December 31, 2019

|   | Program Services     |                                    |                     |                           |                     |                                    |                     |                   |                                      |                    |                  |                   |                        |                   |                      | Total |
|---|----------------------|------------------------------------|---------------------|---------------------------|---------------------|------------------------------------|---------------------|-------------------|--------------------------------------|--------------------|------------------|-------------------|------------------------|-------------------|----------------------|-------|
|   | Voting Rights        | Public Education and General Legal | Criminal Justice    | Educational Opportunities | Stop Hate           | Fair Housing/Community Development | Economic Justice    | Fellowships       | Legal Mobilization and Public Policy | NC Regional Office | Census           | Capacity Building | Management and General | Fundraising       |                      |       |
| Salaries and benefits:                    |                      |                                    |                     |                           |                     |                                    |                     |                   |                                      |                    |                  |                   |                        |                   |                      |       |
| Salaries                                  | \$ 1,484,830         | \$ 1,146,192                       | \$ 439,648          | \$ 347,291                | \$ 377,929          | \$ 363,092                         | \$ 384,784          | \$ 383,659        | \$ 204,685                           | \$ 122,585         | \$ 7,906         | \$ 11,136         | \$ 339,554             | \$ 417,751        | \$ 6,031,042         |       |
| Benefits                                  | 291,343              | 224,904                            | 86,259              | 68,247                    | 74,155              | 71,247                             | 75,501              | 75,275            | 40,155                               | 24,016             | 1,549            | 2,182             | 68,555                 | 82,030            | 1,185,418            |       |
|   | 1,776,173            | 1,371,096                          | 525,907             | 415,538                   | 452,084             | 434,339                            | 460,285             | 458,934           | 244,840                              | 146,601            | 9,455            | 13,318            | 408,109                | 499,781           | 7,216,460            |       |
| Rent and occupancy                        | 210,492              | 166,246                            | 59,571              | 47,801                    | 53,964              | 53,438                             | 55,694              | 50,758            | 26,020                               | 7,011              | 29,555           | 1,495             | 157,003                | 86,520            | 1,005,568            |       |
| Travel and meetings                       | 127,288              | 101,690                            | 28,309              | 28,625                    | 22,601              | 51,930                             | 10,542              | 4,841             | 2,470                                | 7,325              | -                | -                 | 58,832                 | 1,374             | 445,827              |       |
| Contractual services and co-counsel fees  | 35,265               | 63,401                             | 490                 | 5,955                     | 21,058              | 16,575                             | 54,611              | 4,948             | 324                                  | 430                | 95               | -                 | 57,259                 | 2,766             | 263,177              |       |
| Depreciation and amortization             | 52,966               | 41,832                             | 14,990              | 12,028                    | 13,579              | 13,447                             | 14,014              | 12,772            | 6,547                                | 3                  | 7,437            | 376               | 38,815                 | 22,463            | 251,269              |       |
| Office expenses                           | 15,261               | 20,120                             | 4,662               | 3,529                     | 4,688               | 4,277                              | 4,590               | 3,255             | 1,560                                | 1,152              | 1,756            | 89                | 158,281                | 7,926             | 231,146              |       |
| Technology and research                   | 58,172               | 13,739                             | 4,688               | 2,073                     | 11,621              | 2,607                              | 2,025               | 38                | 206                                  | 1,467              | -                | -                 | 113,460                | 6                 | 210,102              |       |
| Insurance and interest                    | 13,889               | 10,970                             | 3,931               | 3,154                     | 3,561               | 3,526                              | 3,675               | 3,349             | 1,717                                | 1,231              | 1,950            | 99                | 10,178                 | 5,891             | 67,121               |       |
| Temporary help                            | 585                  | 737                                | -                   | -                         | -                   | -                                  | 885                 | 15,420            | 660                                  | -                  | -                | -                 | 2,926                  | 14,343            | 35,556               |       |
| Postage and delivery                      | 1,369                | 347                                | 117                 | 7                         | 96                  | 285                                | 44                  | 30                | -                                    | 390                | -                | -                 | 25,837                 | 5,496             | 34,018               |       |
| Court costs and professional dues         | 10,755               | 6,385                              | 1,509               | 2,385                     | 778                 | 2,702                              | 1,442               | 539               | -                                    | 1,715              | -                | -                 | 3,416                  | -                 | 31,626               |       |
| Printing and duplication                  | 417                  | 3,791                              | 5,856               | 128                       | 4,627               | 75                                 | -                   | -                 | 24                                   | -                  | -                | -                 | 14,457                 | -                 | 29,375               |       |
| Communications                            | 1,114                | 13,983                             | 115                 | 458                       | 285                 | -                                  | 17                  | 210               | 225                                  | 185                | -                | -                 | 808                    | -                 | 17,400               |       |
| Total expenses before overhead allocation | 2,303,746            | 1,814,337                          | 650,145             | 521,681                   | 588,942             | 583,201                            | 607,824             | 555,094           | 284,593                              | 167,510            | 50,248           | 15,377            | 1,049,381              | 646,566           | 9,838,645            |       |
| Allocation of overhead                    | 81,918               | 64,515                             | 23,122              | 18,550                    | 20,942              | 20,738                             | 21,613              | 20,405            | 10,098                               | -                  | -                | -                 | (316,544)              | 34,643            | -                    |       |
| Total expenses after overhead allocation  | 2,385,664            | 1,878,852                          | 673,267             | 540,231                   | 609,884             | 603,939                            | 629,437             | 575,499           | 294,691                              | 167,510            | 50,248           | 15,377            | 732,837                | 681,209           | 9,838,645            |       |
| In-kind legal services                    | 12,603,385           | 2,530,519                          | 2,900,917           | 2,367,961                 | 1,801,177           | 1,695,772                          | 572,407             | -                 | -                                    | -                  | -                | -                 | -                      | -                 | 24,472,138           |       |
| <b>Total expenses</b>                     | <b>\$ 14,989,049</b> | <b>\$ 4,409,371</b>                | <b>\$ 3,574,184</b> | <b>\$ 2,908,192</b>       | <b>\$ 2,411,061</b> | <b>\$ 2,299,711</b>                | <b>\$ 1,201,844</b> | <b>\$ 575,499</b> | <b>\$ 294,691</b>                    | <b>\$ 167,510</b>  | <b>\$ 50,248</b> | <b>\$ 15,377</b>  | <b>\$ 732,837</b>      | <b>\$ 681,209</b> | <b>\$ 34,310,783</b> |       |

See notes to financial statements.



## Lawyers' Committee for Civil Rights Under Law

### Statement of Functional Expenses Year Ended December 31, 2018

|   | Program Services     |                     |                                    |                                    |                           |                     |                     |                   |                                      |                        |                   | Total                |
|---|----------------------|---------------------|------------------------------------|------------------------------------|---------------------------|---------------------|---------------------|-------------------|--------------------------------------|------------------------|-------------------|----------------------|
|   | Voting Rights        | Criminal Justice    | Public Education and General Legal | Fair Housing/Community Development | Educational Opportunities | Economic Justice    | Stop Hate           | Fellowships       | Legal Mobilization and Public Policy | Management and General | Fundraising       |                      |
| Salaries and benefits:                    |                      |                     |                                    |                                    |                           |                     |                     |                   |                                      |                        |                   |                      |
| Salaries                                  | \$ 1,281,413         | \$ 371,932          | \$ 881,647                         | \$ 326,985                         | \$ 420,902                | \$ 324,606          | \$ 343,735          | \$ 351,156        | \$ 140,572                           | \$ 446,450             | \$ 291,583        | \$ 5,180,981         |
| Benefits                                  | 271,803              | 78,984              | 191,489                            | 70,756                             | 88,964                    | 69,086              | 74,012              | 75,843            | 30,107                               | 94,555                 | 62,004            | 1,107,603            |
|   | <u>1,553,216</u>     | <u>450,916</u>      | <u>1,073,136</u>                   | <u>397,741</u>                     | <u>509,866</u>            | <u>393,692</u>      | <u>417,747</u>      | <u>426,999</u>    | <u>170,679</u>                       | <u>541,005</u>         | <u>353,587</u>    | <u>6,288,584</u>     |
| Rent and occupancy                        | 246,358              | 61,339              | 166,609                            | 62,727                             | 69,426                    | 54,599              | 68,098              | 54,281            | 31,468                               | 226,783                | 103,653           | 1,145,341            |
| Contractual services and co-counsel fees  | 50,600               | 7,439               | 70,915                             | 52,284                             | 5,469                     | 23,366              | 50,855              | -                 | 32,641                               | 347,008                | 78,506            | 719,083              |
| Travel and meetings                       | 154,460              | 20,861              | 66,133                             | 39,302                             | 24,575                    | 10,934              | 33,407              | 172               | 37,753                               | 13,560                 | 9,157             | 410,314              |
| Technology and research                   | 108,921              | 1,326               | 72,554                             | 3,478                              | 4,930                     | 465                 | 32,974              | -                 | 1,203                                | 147,767                | 299               | 373,917              |
| Office expenses                           | 29,520               | 260                 | 1,087                              | 173                                | 87                        | 436                 | 668                 | 150               | 2,764                                | 81,552                 | 37,892            | 154,589              |
| Depreciation and amortization             | 29,854               | 7,433               | 20,190                             | 7,601                              | 8,413                     | 6,616               | 8,252               | 6,578             | 3,813                                | 27,482                 | 12,561            | 138,793              |
| Insurance and interest                    | 20,728               | 5,161               | 14,018                             | 5,278                              | 5,841                     | 4,594               | 5,730               | 4,567             | 2,648                                | 19,081                 | 8,722             | 96,368               |
| Temporary help                            | 12,176               | -                   | 10,861                             | -                                  | 500                       | -                   | -                   | -                 | -                                    | 26,574                 | -                 | 50,111               |
| Communications                            | 15,737               | 391                 | 13,002                             | 78                                 | 658                       | 180                 | 225                 | -                 | 180                                  | 3,004                  | 831               | 34,286               |
| Postage and delivery                      | 1,940                | 807                 | 267                                | 153                                | 10                        | 184                 | 117                 | -                 | 1,128                                | 26,295                 | 1,201             | 32,102               |
| Court costs and professional dues         | 14,758               | 1,697               | 4,754                              | 1,600                              | 1,510                     | 1,439               | 611                 | 860               | 500                                  | 2,378                  | -                 | 30,107               |
| Printing and duplication                  | 2,029                | 164                 | 1,552                              | -                                  | 50                        | -                   | 577                 | -                 | 1,383                                | 18,637                 | 971               | 25,363               |
| Total expenses before overhead allocation | <u>2,240,297</u>     | <u>557,794</u>      | <u>1,515,078</u>                   | <u>570,415</u>                     | <u>631,335</u>            | <u>496,505</u>      | <u>619,261</u>      | <u>493,607</u>    | <u>286,160</u>                       | <u>1,481,126</u>       | <u>607,380</u>    | <u>9,498,958</u>     |
| Allocation of overhead                    | 115,394              | 28,727              | 78,031                             | 29,378                             | 32,516                    | 25,571              | 31,894              | 25,423            | 14,739                               | (408,221)              | 26,548            | -                    |
| Total expenses after overhead allocation  | <u>2,355,691</u>     | <u>586,521</u>      | <u>1,593,109</u>                   | <u>599,793</u>                     | <u>663,851</u>            | <u>522,076</u>      | <u>651,155</u>      | <u>519,030</u>    | <u>300,899</u>                       | <u>1,072,905</u>       | <u>633,928</u>    | <u>9,498,958</u>     |
| In-kind legal services                    | 24,792,516           | 7,128,861           | 5,913,469                          | 2,667,515                          | 2,583,650                 | 1,423,701           | 1,294,091           | -                 | -                                    | -                      | -                 | 45,803,803           |
| <b>Total expenses</b>                     | <b>\$ 27,148,207</b> | <b>\$ 7,715,382</b> | <b>\$ 7,506,578</b>                | <b>\$ 3,267,308</b>                | <b>\$ 3,247,501</b>       | <b>\$ 1,945,777</b> | <b>\$ 1,945,246</b> | <b>\$ 519,030</b> | <b>\$ 300,899</b>                    | <b>\$ 1,072,905</b>    | <b>\$ 633,928</b> | <b>\$ 55,302,761</b> |

See notes to financial statements.

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

**Statements of Cash Flows  
Years Ended December 31, 2019**

|   | 2019               | 2018               |
|---|--------------------|--------------------|
| Cash flows from operating activities:   |                    |                    |
| Change in net assets  | \$ 3,414,037       | \$ 1,863,423       |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                    |                    |
| Depreciation and amortization   | 251,269            | 138,793            |
| Net (gain) loss on investments  | (423,228)          | 203,212            |
| Reserve on restricted promises to give  | 303,194            | 362,688            |
| Deferred rent   | 887,709            | 367,129            |
| Changes in assets and liabilities:  |                    |                    |
| (Increase) decrease in:   |                    |                    |
| Accounts receivable   | (7,607)            | 168,765            |
| Grants receivable, net  | (1,324,393)        | (796,863)          |
| Promises to give, net   | 394,031            | (543,409)          |
| Prepaid expenses  | (4,256)            | (38,967)           |
| Employee advances and other   | -                  | 500                |
| Increase (decrease) in:   |                    |                    |
| Accounts payable  | (125,993)          | 196,315            |
| Accrued expenses  | (89,729)           | 277,340            |
| Deferred revenue  | 21,000             | (115,000)          |
| Payroll taxes and related liabilities   | 6,029              | 30,111             |
| <b>Net cash provided by operating activities</b>  | <b>3,302,063</b>   | <b>2,114,037</b>   |
| Cash flows from investing activities:   |                    |                    |
| Purchase of property and equipment  | (177,453)          | (562,667)          |
| Proceeds from sale of investments   | 2,796,392          | 2,842,377          |
| Purchase of investments   | (5,093,469)        | (3,013,244)        |
| <b>Net cash used in investing activities</b>  | <b>(2,474,530)</b> | <b>(733,534)</b>   |
| Cash flows from financing activities:   |                    |                    |
| Principal payments on the line of credit  | -                  | (1,909,758)        |
| <b>Net cash used in financing activities</b>  | <b>-</b>           | <b>(1,909,758)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                 | <b>827,533</b>     | <b>(529,255)</b>   |
| Cash and cash equivalents   |                    |                    |
| Beginning   | 5,562,941          | 6,092,196          |
| Ending  | \$ 6,390,474       | \$ 5,562,941       |
| Supplemental disclosures of cash flow information:  |                    |                    |
| Interest paid   | \$ -               | \$ 49,252          |
| Supplemental schedule of noncash investing and financing activities:                        |                    |                    |
| Property and equipment acquired via tenant improvement allowance                            | \$ -               | \$ 2,183,589       |

See notes to financial statements.

## Lawyers' Committee for Civil Rights Under Law

### Notes to Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** Lawyers' Committee for Civil Rights Under Law (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.

Effective June 17, 2019, the Julius L. Chambers Center for Civil Rights (the Center) contributed its net assets to the Lawyers' Committee via an Agreement and Plan of Merger (the Agreement). The Center was a North Carolina nonprofit corporation and was exempt from income tax under section 501(c)(3) of the IRC. Under the terms of the Agreement, the Committee was the surviving corporation and succeeded to all the rights and liabilities of the Center. In addition, the Committee agreed to maintain an office in North Carolina for at least 12 months.

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

**Basis of accounting:** The Lawyers' Committee prepares its financial statements on the accrual basis of accounting. Revenue is recognized when earned and expense when the obligation is incurred.

**Basis of presentation:** The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Not-for-Profit Entities topics of the FASB ASC, the Lawyers' Committee is required to report information regarding its financial position and activities according to 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 5 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 6 for details regarding net assets with donor restrictions.

**Use of estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, 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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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Adoption of recent accounting pronouncements:** In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. Where the Lawyers' Committee is the resource recipient, the ASU was adopted as of January 1, 2019 using the modified prospective method. Based on the Lawyers' Committee's review of its contributions received, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under this new standard. The adoption had no impact on the statements of financial position and the statements of activities.

**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 its cash in bank deposit accounts which, at times, may exceed federally-insured limits. The Lawyers' Committee has not experienced any losses in such accounts. The Lawyers' Committee believes it is not exposed to any significant financial risk on cash.

The Lawyers' Committee invests in a professionally managed portfolio that contains common stocks, U.S. government securities, corporate bonds, money market funds, mutual funds and exchange traded funds. 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 market value. The change in fair market value of these investments is recorded as a component of investment income in the statement of activities.

**Grants receivable and unconditional 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 3.33% as of December 31, 2019 and 2018. Conditional promises to give are not included as support until the conditions are substantially met. Bad debt expense for the years ended December 31, 2019 and 2018, amounted to \$303,194 and \$362,688, respectively. Promises to give are presented net of an allowance for doubtful accounts of \$300,000 and \$362,688 as of December 31, 2019 and 2018, 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 market 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. Assets under capital lease are amortized over the lesser of the lease term or the useful life of the leased asset.

**Notes to Financial Statements**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

**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.

**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 market value. Included are pro-bono services provided to the Lawyers' Committee in furtherance of its mission by lawyers and law firms. The fair value of these services has been estimated by the law firms to be \$24,472,138 and \$45,803,803 for the years ended December 31, 2019 and 2018, respectively.

**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.

**Upcoming accounting pronouncements:** In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2014-09 one year making it effective for annual reporting periods beginning after December 15, 2019. The Lawyers' Committee is currently evaluating the effect that the standard will have on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating with classification affecting the pattern of expense recognition in the statement of activities. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Lawyers' Committee is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

**Reclassifications:** Certain 2018 amounts have been reclassified to conform to the 2019 presentation. There was no change to the change in net assets as a result.

**Subsequent events:** Subsequent events have been evaluated through November 18, 2020, which is the date the financial statements were available to be issued.

## Lawyers' Committee for Civil Rights Under Law

### Notes to Financial Statements

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#### Note 2. Fair Value Measurements

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, 2019 and 2018:

|   | 2019                |              |            |         |
|---|---------------------|--------------|------------|---------|
|   | Total               | Fair Value   |            |         |
|   |                     | Level 1      | Level 2    | Level 3 |
| Investments:                                    |                     |              |            |         |
| Common stock                                    | \$ 706,425          | \$ 706,425   | \$ -       | \$ -    |
| U.S. government securities                      | 504,042             | -            | 504,042    | -       |
| Corporate bonds                                 | 370,658             | -            | 370,658    | -       |
| Mutual and exchange traded funds - equities     | 656,526             | 656,526      | -          | -       |
| Mutual and exchange traded funds - fixed income | 1,887,503           | 1,887,503    | -          | -       |
| Money market funds                              | 2,024,022           | 2,024,022    | -          | -       |
| Investments carried at fair value               | 6,149,176           | \$ 5,274,476 | \$ 874,700 | \$ -    |
| Cash management fund*                           | 610,964             |              |            |         |
| Total investments                               | <u>\$ 6,760,140</u> |              |            |         |

Lawyers' Committee for Civil Rights Under Law

Notes to Financial Statements

**Note 2. Fair Value Measurements (Continued)**

|   | 2018         |              |            |         |
|---|--------------|--------------|------------|---------|
|   | Total        | Fair Value   |            |         |
|   |              | Level 1      | Level 2    | Level 3 |
| Investments:                                    |              |              |            |         |
| Common stock                                    | \$ 611,306   | \$ 611,306   | \$ -       | \$ -    |
| U.S. government securities                      | 454,128      | -            | 454,128    | -       |
| Corporate bonds                                 | 355,257      | -            | 355,257    | -       |
| Mutual and exchange traded funds - equities     | 541,195      | 541,195      |            |         |
| Mutual and exchange traded funds - fixed income | 1,672,455    | 1,672,455    | -          | -       |
| Investments carried at fair value               | 3,634,341    | \$ 2,824,956 | \$ 809,385 | \$ -    |
| Cash management fund*                           | 405,494      |              |            |         |
| Total investments                               | \$ 4,039,835 |              |            |         |

\* The cash management fund is not subject to the provisions of fair value measurements as it is recorded at cost. Management believes that cost approximates fair value for these items.

**Note 3. 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, 2019 and 2018:

|                                      | 2019         | 2018         |
|--------------------------------------|--------------|--------------|
| Due in less than one year            | \$ 3,703,723 | \$ 3,071,183 |
| Due in one to five years             | 1,001,300    | 1,069,360    |
| Less discount to present value       | (67,795)     | (67,795)     |
| Less allowance for doubtful accounts | (300,000)    | (362,688)    |
|                                      | \$ 4,337,228 | \$ 3,710,060 |
| Grants receivable                    | \$ 4,110,865 | \$ 2,786,472 |
| Promises to give                     | 226,363      | 923,588      |
|                                      | \$ 4,337,228 | \$ 3,710,060 |

**Note 4. Property and Equipment**

Property and equipment consists of the following at December 31, 2019 and 2018:

|                               | 2019         | 2018         |
|-------------------------------|--------------|--------------|
| Furniture and equipment       | \$ 490,699   | \$ 425,468   |
| Computers and software        | 840,304      | 835,735      |
| Leasehold improvements        | 2,411,216    | 2,292,390    |
|                               | 3,742,219    | 3,553,593    |
| Less accumulated depreciation | (1,116,176)  | (853,734)    |
|                               | \$ 2,626,043 | \$ 2,699,859 |

## Lawyers' Committee for Civil Rights Under Law

### Notes to Financial Statements

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#### Note 5. 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, 2019 and 2018:

|                                | 2019             | 2018             |
|--------------------------------|------------------|------------------|
| Domestic Legal Assistance Fund | \$ 16,728        | \$ 16,728        |
| Anniversary Fund               | 11,242           | 11,242           |
| Lloyd Cutler Memorial Fund     | 5,800            | 5,800            |
|                                | <u>\$ 33,770</u> | <u>\$ 33,770</u> |

#### Note 6. Net Assets With Donor Restrictions

The Lawyers' Committee receives grants from foundations and corporations which are often restricted by the donor for use in certain programs.

Net assets with donor restrictions consists of the following at December 31, 2019 and 2018:

|  | 2019                 | 2018                |
|--|----------------------|---------------------|
| Purpose-restricted net assets:             |                      |                     |
| Voting rights                              | \$ 3,138,325         | \$ 957,503          |
| Economic justice                           | 1,872,867            | 1,465,465           |
| Program reserves                           | 913,404              | 876,388             |
| Fair housing/community development         | 614,238              | 714,599             |
| Capacity building                          | 590,000              | -                   |
| Criminal justice                           | 399,942              | 650,189             |
| Census                                     | 314,752              | -                   |
| Environmental justice (NC office)          | 19,535               | -                   |
| Stop hate crime                            | -                    | 391,530             |
| Net assets subject to purpose restrictions | <u>7,863,063</u>     | <u>5,055,674</u>    |
| Endowments                                 | <u>2,775,909</u>     | <u>2,473,389</u>    |
|  | <u>\$ 10,638,972</u> | <u>\$ 7,529,063</u> |

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.

**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, 2019 and 2018, there were no such deficiencies.



## Lawyers' Committee for Civil Rights Under Law

### Notes to Financial Statements

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#### Note 6. Net Assets With Donor Restrictions (Continued)

**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 year ended December 31, 2019 and 2018:

|                       | 2019                 |                     |                     |
|-----------------------|----------------------|---------------------|---------------------|
|                       | Accumulated Earnings | Original Value      | Total               |
| Beginning of year     | \$ 322,880           | \$ 2,150,509        | \$ 2,473,389        |
| Net investment return | 302,520              | -                   | 302,520             |
| End of year           | <u>\$ 625,400</u>    | <u>\$ 2,150,509</u> | <u>\$ 2,775,909</u> |
|                       | 2018                 |                     |                     |
|                       | Accumulated Earnings | Original Value      | Total               |
| Beginning of year     | \$ 402,033           | \$ 2,150,509        | \$ 2,552,542        |
| Net investment loss   | (79,153)             | -                   | (79,153)            |
| End of year           | <u>\$ 322,880</u>    | <u>\$ 2,150,509</u> | <u>\$ 2,473,389</u> |

#### Note 7. 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 \$127,799 and \$227,472 for the years ended December 31, 2019 and 2018, 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 due under the Plan were \$12,968 and \$17,927 as of December 31, 2019 and 2018, respectively.

## Lawyers' Committee for Civil Rights Under Law

### Notes to Financial Statements

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#### Note 8. Commitments and Contingencies

**Commitments:** 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 is required to provide a security deposit to the landlord. Thus, the Lawyers' Committee has provided a \$498,978 letter of credit, issued by a commercial bank, in favor of the landlord as of December 31, 2019 and 2018. In addition, the Lawyers' Committee has established an account at the financial institution of with a balance of \$509,319 and \$509,168 as of December 31, 2019 and 2018, respectively, to serve as collateral for the letter of credit. This collateral account is included with cash and cash equivalents on the statements of financial position. The letter of credit expires on December 21, 2019, and automatically renews each year unless terminated by the bank.

The office space leases contain annual escalation clauses, which adjust base rentals. Furthermore, during the course of its leases, the Lawyers' Committee has received various rental abatements. In accordance with U.S. generally accepted accounting principles, deferred rent and construction allowance represents the amount by which straight-line rental expense exceeds rental payments.

Total anticipated future minimum lease payments under the office and storage space leases are as follows:

Years ending December 31:

|           |                      |
|-----------|----------------------|
| 2020      | \$ 1,242,879         |
| 2021      | 1,273,918            |
| 2022      | 1,305,784            |
| 2023      | 1,338,453            |
| 2024      | 1,371,833            |
| 2025-2031 | 9,781,143            |
|           | <u>\$ 16,314,010</u> |

In addition, the Lawyers' Committee has entered into a lease agreement for certain office equipment that expires in July 2021. Annual lease payments of \$8,100 are due over the term of this lease.

**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, 2019 and 2018. Interest expense incurred under the revolving line of credit for the years ended December 31, 2019 and 2018 was \$0 and \$49,252, respectively.

**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.

## Lawyers' Committee for Civil Rights Under Law

### Notes to Financial Statements

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#### Note 8. Commitments and Contingencies (Continued)

**Contingencies:** Management represents that there have been no material claims, suits or complaints filed, nor any pending against the Lawyers' Committee. In the opinion of management, all other matters which are asserted or unasserted are without merit and would not have a significant effect on the financial position or results of operations if they were disposed of unfavorably.

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.

#### Note 9. Liquidity

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.

The following provides a summary of financial assets available for general expenditures within one year at December 31, 2019 and 2018:

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| Cash and cash equivalents                      | \$ 6,390,474        | \$ 5,562,941        |
| Investments                                    | 6,760,140           | 4,039,835           |
| Accounts receivable                            | 64,563              | 56,956              |
| Grants receivable, net                         | 4,110,865           | 2,786,472           |
| Promises to give, net                          | 226,363             | 923,588             |
| Total financial assets                         | 17,552,405          | 13,369,792          |
| Less:  |                     |                     |
| Cash held as collateral                        | (509,319)           | (509,168)           |
| Custodial escrow funds                         | (129,612)           | (129,612)           |
| Board-designated net assets                    | (33,770)            | (33,770)            |
| Net assets with donor restrictions             | (10,638,972)        | (7,529,063)         |
| Net financial assets available for expenditure | <u>\$ 6,240,732</u> | <u>\$ 5,168,179</u> |

#### Note 10. COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a Public Health Emergency of International Concern, and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Lawyers' Committee operates. Management is continually monitoring the potential impact of the pandemic on the Lawyers' Committee, and will review and adjust planned expenditures should it be determined the outbreak will significantly impact the financial position and activities of the Lawyers' Committee.