WASHINGTON LAWYERS' COMMITTEE FOR

CIVIL RIGHTS AND URBAN AFFAIRS

DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Washington Lawyers' Committee for Civil Rights and Urban Affairs
Washington, D.C.

Opinion

We have audited the accompanying financial statements of Washington Lawyers' Committee for Civil Rights and Urban Affairs (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, 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 Washington Lawyers' Committee for Civil Rights and Urban Affairs 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 Washington Lawyers' Committee for Civil Rights and Urban Affairs and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Lawyers' Committee for Civil Rights and Urban Affairs' 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 Washington Lawyers' Committee for Civil Rights and Urban Affairs' 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 Washington Lawyers' Committee for Civil Rights and Urban Affairs' ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Activities (Without Donated Services) for the years ended December 31, 2025 and 2024, are presented for purposes of additional analysis and are not required parts of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the exclusion of donated services in the schedules of activities (without donated services), the schedules of activities (without donated services) for the years ended December 31, 2025 and 2024, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Sarfino and Rhodes, LLP

September 25, 2026

WASHINGTON LAWYERS' COMMITTEE FOR CIVIL RIGHTS AND URBAN AFFAIRS, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,586,586	$ 1,282,038
Restricted cash	550,790	540,839
Total cash and cash equivalents	$ 2,137,376	$ 1,822,877
Investments	796,750	766,272
Grants and contributions receivable	362,266	639,778
Fees and other receivable	61,171	3,500
Prepaid and other	109,941	139,407
TOTAL CURRENT ASSETS	$ 3,467,504	$ 3,371,834
PROPERTY AND EQUIPMENT	$ 400,170	$ 506,701
OTHER ASSETS:		
Security deposit	$ 55,321	$ 55,321
Right of use assets - operating	329,449	416,152
Right of use asset - finance	10,401	14,562
TOTAL OTHER ASSETS	$ 395,171	$ 486,035
TOTAL ASSETS	$ 4,262,845	$ 4,364,570
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 340,277	$ 352,905
Custodial escrow funds	10,331	10,331
Operating lease liabilities, current portion	336,669	312,073
Finance lease liability, current portion	4,250	4,098
Deferred revenue	35,583	123,132
TOTAL CURRENT LIABILITIES	$ 727,110	$ 802,539
OTHER LIABILITIES:		
Operating lease liabilities, long-term portion	$ 690,189	$ 1,026,857
Finance lease liability, long-term portion	6,670	10,920
TOTAL OTHER LIABILITIES	$ 696,859	$ 1,037,777
TOTAL LIABILITIES	$ 1,423,969	$ 1,840,316
NET ASSETS:		
Without donor restrictions	$ 2,202,526	$ 1,762,544
With donor restrictions	636,350	761,710
TOTAL NET ASSETS	$ 2,838,876	$ 2,524,254
TOTAL LIABILITIES AND NET ASSETS	$ 4,262,845	$ 4,364,570

The accompanying notes are an integral part of these financial statements.

WASHINGTON LAWYERS' COMMITTEE FOR
CIVIL RIGHTS AND URBAN AFFAIRS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUES, AND GAINS:						
In-kind contributions	$ 47,100,449	$ -	$ 47,100,449	$ 22,293,870	$ -	$ 22,293,870
Grants and contributions	2,159,618	972,762	3,132,380	1,194,487	681,391	1,875,878
Annual events	1,355,712	-	1,355,712	1,220,284	-	1,220,284
Less, direct benefits to donors	(74,541)	-	(74,541)	(94,790)	-	(94,790)
Legal fees and court awards	554,345	-	554,345	902,782	-	902,782
Fellowship subsidies	195,266	-	195,266	91,373	-	91,373
Investment income, net	80,631	-	80,631	108,132	6,863	114,995
Other income	13,069	-	13,069	23,487	-	23,487
Contracted services revenue	-	-	-	5,676	-	5,676
Net assets released from restrictions	1,098,122	(1,098,122)	-	1,202,344	(1,202,344)	-
TOTAL SUPPORT, REVENUES, AND GAINS	$ 52,482,671	$ (125,360)	$ 52,357,311	$ 26,947,645	$ (514,090)	$ 26,433,555
EXPENSES:						
Program service	$ 49,825,935	$ -	$ 49,825,935	$ 25,455,006	$ -	$ 25,455,006
Supporting services:						
Management and general	1,337,874	-	1,337,874	1,124,137	-	1,124,137
Fundraising	878,880	-	878,880	798,320	-	798,320
TOTAL EXPENSES	$ 52,042,689	$ -	$ 52,042,689	$ 27,377,463	$ -	$ 27,377,463
CHANGES IN NET ASSETS	$ 439,982	$ (125,360)	$ 314,622	$ (429,818)	$ (514,090)	$ (943,908)
NET ASSETS, BEGINNING OF YEAR	1,762,544	761,710	2,524,254	2,192,362	1,275,800	3,468,162
NET ASSETS, END OF YEAR	$ 2,202,526	$ 636,350	$ 2,838,876	$ 1,762,544	$ 761,710	$ 2,524,254

The accompanying notes are an integral part of these financial statements.

WASHINGTON LAWYERS' COMMITTEE FOR
CIVIL RIGHTS AND URBAN AFFAIRS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025					2024				
		Supporting Services					Supporting Services			
	Program Service	Management and General	Fundraising	Direct Benefits to Donors	Total	Program Service	Management and General	Fundraising	Direct Benefits to Donors	Total
Contributed services	$ 46,705,309	$ -	$ -	$ -	$ 46,705,309	$ 22,293,870	$ -	$ -	$ -	$ 22,293,870
Salaries, benefits and payroll taxes	2,238,303	658,135	472,840	-	3,369,278	2,404,405	578,713	450,899	-	3,434,017
Consultants	119,297	374,173	162,059	-	655,529	84,297	322,618	125,375	-	532,290
Occupancy	427,994	157,786	46,445	-	632,225	362,585	97,063	55,203	-	514,851
Equipment rental and maintenance	88,915	54,337	31,020	-	174,272	49,174	30,551	9,782	-	89,507
Depreciation and amortization	115,015	14,620	12,587	-	142,222	111,937	22,509	17,213	-	151,659
Events	-	-	54,567	74,541	129,108	583	500	54,429	94,790	150,302
Insurance	45,629	5,800	4,993	-	56,422	35,842	5,875	5,512	-	47,229
Bank and credit card fees	-	86	54,594	-	54,680	-	-	44,788	-	44,788
Publications and messaging	15,766	1,749	32,575	-	50,090	28,292	2,111	17,863	-	48,266
Communications	25,185	3,202	2,756	-	31,143	26,985	4,402	4,129	-	35,516
Taxes and other	-	27,771	-	-	27,771	-	4,598	-	-	4,598
Travel	10,513	14,150	1,789	-	26,452	4,987	14,520	6,196	-	25,703
Miscellaneous	11,573	8,494	752	-	20,819	13,699	12,978	551	-	27,228
Printing and duplicating	12,565	1,597	1,375	-	15,537	15,849	274	2,762	-	18,885
Conferences and meetings	3,780	8,241	518	-	12,539	8,612	13,036	1,806	-	23,454
Office supplies	2,709	7,733	10	-	10,452	10,102	1,555	1,812	-	13,469
Litigation support	3,382	-	-	-	3,382	3,787	108	-	-	3,895
Bad debt	-	-	-	-	-	-	12,726	-	-	12,726
TOTAL EXPENSES	$ 49,825,935	$ 1,337,874	$ 878,880	$ 74,541	$ 52,117,230	$ 25,455,006	$ 1,124,137	$ 798,320	$ 94,790	$ 27,472,253
Less, Direct Benefits to Donors	-	-	-	(74,541)	(74,541)	-	-	-	(94,790)	(94,790)
TOTAL EXPENSES PER STATEMENTS OF ACTIVITIES	$ 49,825,935	$ 1,337,874	$ 878,880	$ -	$ 52,042,689	$ 25,455,006	$ 1,124,137	$ 798,320	$ -	$ 27,377,463

The accompanying notes are an integral part of these financial statements.

WASHINGTON LAWYERS' COMMITTEE FOR

CIVIL RIGHTS AND URBAN AFFAIRS, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ 314,622	$ (943,908)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Unrealized gain on investments	(2,201)	(39,327)
Depreciation and amortization	142,222	151,659
Amortization on right-of-use-assets	86,703	417,061
Bad debt	-	12,726
Reduction of right-of-use assets	-	1,870,426
Reduction of operating lease liabilities	-	(1,870,426)
Decrease (increase) in operating assets:		
Grants and contributions receivable	277,512	433,120
Fees and other receivable	(57,671)	43,601
Prepaid and other	29,466	27,612
Security deposit	-	55,321
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(12,628)	(16,854)
Custodial escrow funds	-	11,669
Operating lease liabilities	(312,072)	(723,959)
Deferred revenue	(87,549)	123,132
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 378,404	$ (448,147)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	$ (31,531)	$ -
Proceeds from sales of investments	1,372,972	2,530,159
Purchases of investments	(1,401,248)	(1,823,476)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	$ (59,807)	$ 706,683
CASH FLOWS FROM FINANCING ACTIVITIES:		
Reduction of finance lease liability	$ (4,098)	$ (3,953)
NET CHANGE IN CASH AND CASH EQUIVALENTS	$ 314,499	$ 254,583
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,822,877	1,568,294
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,137,376	$ 1,822,877
SUPPLEMENTAL CASH FLOW INFORMATION:		
Right of use assets obtained with lease liabilities	$ -	$ 64,168

The accompanying notes are an integral part of these financial statements.

WASHINGTON LAWYERS' COMMITTEE FOR

CIVIL RIGHTS AND URBAN AFFAIRS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025 AND 2024

Note 1. **Organization and Summary of Significant Accounting Policies**

Organization - The Washington Lawyers' Committee for Civil Rights and Urban Affairs (WLC), a nonprofit organization, was incorporated in Washington, D.C. in 1992. Its primary purpose is to provide legal services to protect the civil rights of members of the general public who have historically been subject to discrimination or poverty through legal representation and litigation as well as providing counseling and assistance to individuals, groups, and organizations requiring or requesting such services. In addition, WLC cooperates with and assists the organized bar, government agencies, public and private corporations, associations, and legal practitioners in extending these civil rights protections to those in need of them.

Program Service - WLC engages in litigation, public policy advocacy, client counseling and community education to address racial and other forms of discrimination. WLC works on matters that affect the District of Columbia and the surrounding region and on cases outside of the region that may have an impact on local residents. WLC works closely with the private bar to expand the capacity of its staff and relies heavily on various firm pro bono partners. WLC's project priorities include:

- **Creating Equal Opportunity to Economic Stability for Individuals and Families**. People of color, women, children and persons with disabilities are disproportionately forced to live in poverty. The inequities in the social and legal systems have created circumstances in which social mobility is extremely limited and the gap between rich and poor is expanding. Inequality and immobility is significantly worse in communities of color. Poverty has become as much an inheritance as wealth. Work has become a key element of reducing poverty since welfare "reform", making access to employment, fair wages and stability in work critical.

- **Challenging the Conditions that Force Racial and Economic Segregation and that Limit Options for Safe, Decent and Affordable Housing Based on Race and National Origin.** Housing segregation is itself inherently unequal and contributes to diminished opportunities for education, work and recreation. Racial segregation in housing is increasing in the District of Columbia and the region, driven by economic development, the effects of discrimination in the criminal legal system and other structural and economic factors. The forces of segregation in the District of Columbia have deprived low income and many communities of color access to safe, decent and affordable housing.

- **Reducing Barriers to Public Services and Public Accommodations**. The ability to access public services and participate in the economy are essential to be full members of society. Everyone, regardless of race, gender, disability or language should be free from discrimination in civic participation, economic activity and social engagement.

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

- **Creating Equal Opportunity for an Education**. One of the great unfinished projects of the civil rights movement is addressing inequality in education. Schools are increasingly segregated, separate and unequal. Children of color, with disabilities and English language learners are much more frequently denied the opportunity to thrive and achieve their aspirations. Education reform in the District of Columbia and in the region has had some effect, but it is limited.

- **Protecting the Civil and Constitutional Rights of Immigrant Children, Families, and Communities**. Immigrant communities are essential to the economic, cultural, and civic life of the District of Columbia and the nation, yet they continue to face escalating legal, political, and systemic barriers that threaten their safety, stability, and equal participation in society. Increasingly aggressive federal immigration enforcement policies and executive actions have undermined constitutional protections, disrupted families and communities, and created fear that discourages individuals from accessing schools, places of worship, health care, and other essential services. In response to escalating federal actions that threatened the civil and constitutional rights of immigrant children and families, the Washington Lawyers' Committee mobilized its legal expertise, strategic partnerships, and litigation resources during 2025 to defend immigrant communities and advance its mission of achieving equal justice under law. Through impact litigation, coalition advocacy, and partnerships with community organizations and pro bono counsel, the Washington Lawyers' Committee challenged unlawful government actions that discriminate on the basis of national origin or immigration status, undermine due process and other constitutional protections, erode local democratic governance, or deny individuals the rights guaranteed under federal law. These efforts seek to secure systemic relief that protects immigrant children, families, and communities while strengthening constitutional safeguards, advancing equal justice, and ensuring that all people can live, work, learn, and worship free from unlawful discrimination and government overreach.

- **Reducing the Impact of an Unfair Criminal Justice System.** The criminal justice system is a prime driver of inequality. These issues include:

    - *A continued strong emphasis on addressing conditions of incarceration.* Persons confined to prisons, jails, immigration detention and other criminal justice system institutions are confronted with a unique and particularly cruel form of state power. As long as mass incarceration is a fact, the need for prisoners' rights advocacy will be essential.

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

- *Strategies to reduce unnecessary and discriminatory contact with the criminal justice system and that reduce the effects of such contact.* Race bias is deeply imbedded in each criminal justice system component, including the writing of laws, police, prosecutors, courts, prisons and the effects of collateral consequences. These effects are significant whether they result in long-term incarceration, crushing court imposed financial obligations (debtors' prisons) or barriers to employment, education or housing after a period of incarceration.

Basis of Accounting - The financial statements of WLC have been prepared on the accrual basis of accounting.

Basis of Presentation - WLC prepares its financial statements in accordance with U.S. generally accepted accounting principles, including those applicable to nonprofit organizations. Under this presentation, WLC is required to report information regarding its financial position and activities for each of the two classes of net assets:

Net assets without donor restrictions - Net assets without donor restrictions have no donor-imposed restrictions on their use and are fully available for general operations.

Net assets with donor restrictions - Net assets with donor restrictions arise from contributions with donor-imposed restrictions on their use that can be removed by the passage of time or actions by WLC.

Income Tax Status - WLC is exempt from federal income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code (IRC) except for taxes on unrelated business income. Income from certain activities not directly related to WLC's tax-exempt purpose are subject to taxation as unrelated business income.

Use of Estimates - The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

Cash and Cash Equivalents - For purposes of the statements of cash flows, WLC considers all cash and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments - Investments are stated at fair value on the statements of financial position and are subject to change thereafter due to market conditions. Securities are recorded at cost on the date of purchase. The change between fair value and the cost of investments is reflected on the statements of activities for the period in which they occur. Interest and dividend income is recorded when received. Cash held with investment advisors is included with cash and cash equivalents.

Grants and Contributions Receivable - Grants receivable represent amounts due from donors based on approved grants and are reported on the statements of financial position at their net realizable value. Contributions receivable represent unconditional promises made by donors that have not yet been received by WLC. Contributions which will not be received in one year have been discounted using an estimated rate of return which could be earned if such contributions had been made in the current year. WLC considers all contributions receivable to be fully collectible; accordingly, no allowance for uncollectible receivables has been provided.

Fees and Other Receivable - Fees receivable represent amounts due from case settlements and are stated at the amount management expects to collect from balances outstanding at year-end. Case settlements are shown on the statements of financial position at the time of settlement notification and when the amount of the award is deemed certain. Other receivable represents amounts due for services provided. Based on management's assessment of the payment history with donors having outstanding balances and current relationships with them, they have concluded that realized losses, if any, on balances outstanding at year-end would be immaterial. Therefore, there was no allowance for doubtful accounts as of December 31, 2025 and 2024. Fees and other receivable are uncollateralized.

Property and Equipment - Property and equipment are stated at cost, if purchased, and at fair value, if donated. All additions of property and equipment over $2,500 with useful lives more than one year are capitalized. Depreciation is computed on the straight-line method based on estimated useful lives of three to five years. Leasehold improvements are amortized on the straight-line basis over the lease term. Maintenance and repairs are expensed in the year incurred.

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

Leases - WLC determines if an arrangement is a lease at the transition date. Operating lease right of use (ROU) assets and operating lease liabilities are recognized based on the present value of the remaining future minimum lease payments over the lease terms. The leases do not provide an implicit rate, management has decided to use the risk-free rate of return based on the three and five-year treasury average rate available at the transition dates in determining the present value of future lease payments. Management has also elected the practical expedient to not separate lease and non-lease components by class of underlying asset and is choosing to apply this expedient to all relevant asset classes. The leases do not include any non-lease components.

WLC has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve months or less, but greater than one month at lease commencement. WLC's policy is to recognize lease cost associated with its short-term leases on a straight-line basis over the lease term.

Revenue Recognition - In accordance with Financial Accounting Standards Board's Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606*), WLC recognizes revenues from contracts with customers when control of the promised goods or services is transferred to its customers in an amount that reflects the consideration WLC expects to be entitled to in exchange for those goods or services. Revenue from contracts with customers is reported as contracted services revenue in the statements of activities. Revenue from events is reported under annual events in the statements of activities. The performance obligations are satisfied at the point in time when the service is provided to the customer or when the event occurs.

Grants and contributions - Grants and contributions are recognized at the earlier of when the donors make promises to give WLC that are, in substance, unconditional or when they are received. Revenue from grants that are considered conditional contributions are recorded in the statements of activities as grants and contributions when the conditions have been met. Contributions are without donor restrictions unless specifically restricted by the donor for time or purpose. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue from fellowship sponsorships are considered to be conditional and reported in the statements of activities as fellowship subsidies as qualifying expenses are incurred under the terms of the fellowship agreements.

Note 1. **Organization and Summary of Significant Accounting Policies** - (Continued)

Legal Fees and Court Awards - Legal fees and court awards are compensation to WLC for the work of its attorneys and reimbursement of expenses incurred in connection with litigation. Revenue for these legal fees and court awards is recognized upon receipt of funds or upon receipt of award or settlement notification and collection is deemed certain, which is determined by management on a case-by-case basis.

Annual Events Revenue - Events revenue is recognized in the period the event is held. Events revenue collected in advance are recorded as deferred revenue in the statements of financial position.

In-Kind Contributions - Donated 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 recognized as in-kind contributions revenue in the statements of activities at their estimated fair values in the period received. Donated services have been recorded by the organization as program services revenue and expenses. There were no donor-imposed restrictions associated with the donated services.

Functional Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in detail by natural classification in the statements of functional expenses. Expenses directly attributable to specific functional areas are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas benefitted based on a time and effort basis that is consistently applied. Allocated costs that benefited multiple functional areas consisted primarily of occupancy, depreciation and amortization, insurance, printing and duplicating, office supplies, communications, and equipment rental and maintenance.

Note 2. **Liquidity and Availability** - The following represents the WLC's financial assets as of December 31:

	2025	2024
Financial assets at year-end:		
Cash and cash equivalents	$ 2,137,376	$ 1,822,877
Investments	796,750	766,272
Grants and contributions receivable	362,266	639,778
Fees and other receivable	61,171	3,500
Total financial assets	$ 3,357,563	$ 3,232,427
Less amounts with restrictions:		
Restricted by donors for purposes	636,350	761,710
Financial assets available to meet general expenditures within one year	$ 2,721,213	$ 2,470,717

WLC has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately $1,300,000. WLC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, WLC maintains cash in excess of daily requirements in various liquid short-term investments and overnight sweep accounts.

WLC also has an investment policy to provide for the regular and continuous management of funds and invests funds not immediately needed to meet expenses with four primary types of investment funds: short term cash and highly liquid short-term instruments for current operating expenditures (Operating Fund), attorneys' fees and gift of attorneys' fees awards to be spent over a budgeted period of years (Attorney Fee Equalization Fund); longer term funds (Operating Reserve Fund) and long-term investments (Endowment).

Note 3. **Investments** - Investments consist of U.S. Treasury Notes and are reported at their fair values of $796,750 and $766,272 as of December 31, 2025 and 2024, respectively.

Investment income consisted of the following for the years ended December 31:

	2025	2024
Interest income	$ 82,343	$ 81,524
Unrealized gains on investments	2,201	39,327
Investment fees	(3,913)	(5,856)
	$ 80,631	$ 114,995

Note 4. **Fair Value Measurements** - Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below.

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that WLC has the ability to access.

Level 2: Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 4. **Fair Value Measurements** - (Continued)

Following is a description of the valuation methodologies used for assets at fair value:

U.S. Treasury Notes - The fair values of U.S. Treasury Notes are valued at the closing price reported in the active market in which the individual security is traded and are included in the Level 2 fair value hierarchy.

Note 5. **Property and Equipment** - Property and equipment consists of the following as of December 31:

	2025	2024
Leasehold improvements	$ 1,220,305	$ 1,220,305
Furniture and equipment	191,374	159,843
Website and other	46,000	46,000
Total property and equipment	$ 1,457,679	$ 1,426,148
Less, accumulated depreciation and amortization	1,057,509	919,447
Net property and equipment	$ 400,170	$ 506,701

Depreciation expense for the years ended December 31, 2025 and 2024 was $138,062 and $147,499, respectively. Amortization expense on financed leased asset for the years ended December 31, 2025 and 2024 was $4,160.

Note 6. **Revenue Recognition**

Disaggregation of Revenue
WLC's contract services revenue is local in nature. Uncertainty of payment is mitigated through payment terms agreed upon during contract signing.

The following shows WLC's revenue disaggregated according to the timing of transfer of goods and services for the years ended December 31:

	2025	2024
Recognized at a point in time	$ 1,355,712	$ 1,225,960

Note 6. **Revenue Recognition** - (Continued)

Contract Balances

There were no contract assets as of December 31, 2025, and 2024. The following shows WLC's liabilities as of December 31:

	2025	2024
Contract liabilities:		
Deferred event revenue	$ -	$ 39,998

Performance Obligations

Performance obligations for contract services and event revenue are satisfied at the point in time in which the services are provided and when the event takes place.

Significant Judgments

There are no significant judgments pertaining to contract services revenue or event revenue that are significant to the financial statements.

Note 7. **Leasing arrangements** - WLC has operating and finance leases for office space and equipment expiring at various times through 2028 and 2029. The operating lease agreements do not contain material residual value guarantees or impose restrictions or covenants. As of December 31, 2025, WLC has not entered into any new lease agreements for the subsequent year-end. Leases that contain options to extend at the discretion of WLC's management have not been included in the measurement of the lease assets and liabilities due to the uncertainty of exercising the option. As of December 31, 2025 and 2024, WLC reported $329,449 and $416,152 of operating lease right-of-use assets, and $1,026,858 and $1,338,930 of operating lease liabilities on the statements of financial position, respectively.

Additionally, as of December 31, 2025 and 2024, WLC reported $10,401 and $14,562 of finance lease right-of-use assets, and $10,920 and $15,018 of finance lease liabilities on the statements of financial position.

In October 2024, WLC and Skadden, Arps, Slate, Meagher & From LLP, the sublandlord for the office space subleased by WLC, amended the existing sublease agreement. The amendment reduced WLC's monthly rent effective January 1, 2025, but the provisions, conditions and other terms of the existing sublease remain unchanged and in full force and effect. WLC properly adjusted the operating lease right-of-use asset and lease liability balances to reflect the reduced monthly rent due to the sublandlord.

Note 7. **Leasing arrangements** - (Continued)

The components of lease expense for the years ended December 31:

	2025	2024
Operating lease cost - Office	$ 124,630	$ 463,775
Operating lease cost - Equipment	14,268	14,679
Operating variable lease cost	9,416	10,099
Finance lease cost - Equipment		
Amortization of ROU asset	4,160	4,160
Interest on lease liability	477	623
Total finance cost	$ 4,637	$ 4,783
Total lease cost	$ 152,951	$ 493,336
Weighted Average Remaining Lease Term - Operating	2.84	3.84
Weighted Average Remaining Lease Term - Finance	2.50	3.50
Weighted Average Discount Rate (operating lease)	4.37%	4.37%
Weighted Average Discount Rate (finance lease)	3.63%	3.63%

The following summarizes the cash flow information related to operating and finance leases for the years ended December 31:

	2025	2024
Operating cash flows for operating leases	$ 364,268	$ 785,352
Operating cash flows for finance lease	4,576	4,576
Total operating cash flows for leases	$ 368,844	$ 789,928

Note 7. **Leasing arrangements** - (Continued)

Future minimum lease payments on the operating and finance leases as of December 31, 2024, are as follows:

Year	Office Lease	Equipment - Operating	Equipment - Finance	Total
2026	$ 360,500	$ 14,268	$ 4,576	$ 379,344
2027	371,315	14,268	4,576	390,159
2028	318,713	14,268	2,287	335,268
2029	-	1,189	-	1,189
Total future minimum lease payments	$ 1,050,528	$ 43,993	$ 11,439	$ 1,105,960
Less imputed interest	(64,834)	(2,829)	(519)	(68,182)
Total lease obligations	$ 985,694	$ 41,164	$ 10,920	$ 1,037,778
Less current obligations	(323,904)	(12,765)	(4,250)	(340,919)
Long term lease obligations	$ 661,790	$ 28,399	$ 6,670	$ 696,859

Note 8. **Retirement Plans** - WLC maintains two retirement plans for its employees, a 401(k) plan and a 403(b) plan. Employees are eligible to participate in the 401(k) plan after completing one year of service. Eligibility for the 403(b) plan is at the time of employment and allows for employee deferrals. WLC provides for a discretionary contribution to the 401(k) plan based on each participant's compensation. For the years ending December 31, 2025 and 2024, contributions to the 401(k) plan were $106,119 and $74,547, respectively.

Note 9. **Donated Services** - For the years ended December 31, 2025 and 2024, WLC received $46,705,309 and $22,293,870, respectively, of donated services that consisted of legal and consulting services to support its program services. Donated services are valued at the estimated fair value of services provided by the contributing organization and are typically based on that organization's standard hourly billing rates. Donated services were allocated one hundred percent to programs.

Note 10. **Donated Office Space** - The Organization received donated office space for its operations through the amendment to its office lease (Note 7) which reduced the required lease payments while maintaining the same office footprint. WLC recognizes the donated space as in-kind contribution revenue and a corresponding expense based on the amount estimated fair value at the time of payment exceeds the amount of the payment. The value of donated rent for the year ended December 31, 2025 was $395,140 and was allocated among program and supporting services.

Note 11. **Concentration of Credit Risk** - Financial instruments which potentially subject WLC to concentrations of credit risk include cash deposits with investment advisors, as well as deposits with financial institutions which, at times during the year, may exceed the limit of coverage by the Federal Deposit Insurance Corporation. Management believes the risk to be minimal. As of December 31, 2025, WLC's cash deposits were $68,256 in excess of these limits.

Note 12. **Net Assets with Donor Restrictions** - Net assets with donor restrictions were for the following purposes at December 31:

	2025	2024
Subject to expenditure for specific purpose:		
Pro Bono Breakfast	$ 125,522	$ 122,180
Reducing youth incarceration in D.C.	125,000	-
Legal work on behalf of immigrant communities	99,948	-
Oberdorfer Fund	73,985	72,015
Lew Weiner Fellowship	60,645	60,645
Skadden Foundation	15,000	15,000
Employment justice and workers' rights	-	307,870
Prisoners' rights	-	169,000
Education Justice	20,000	15,000
Subtotal	$ 520,100	$ 761,710
Subject to passage of time:		
Amounts received for future operations	116,250	-
Total	$ 636,350	$ 761,710

Note 13. **Related Party** - WLC subleases office space from Skadden, Arps, Slate, Meagher & Flom LLP at a below market rate where one of its governing members is a partner. Total amount paid to this firm for the years ended December 31, 2025 and 2024 was $350,000 and $770,673, respectively. The amount fair market value exceeded rent payments was $395,140 for the year ended December 31, 2025.

Note 14. **Commitments** - WLC has entered into an agreement with a hotel relating to the annual awards luncheon. The agreement includes a cancellation penalty and obligates WLC to spend certain minimums on food and beverages.

Note 15. **Reclassifications** - Certain amounts reported in the prior year financial statements have been reclassified to conform to the current year presentation.

Note 16. **Subsequent Events** - In preparation of these financial statements, WLC has evaluated events and transactions for potential recognition or disclosure through September 25, 2026, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

WASHINGTON LAWYERS' COMMITTEE FOR CIVIL RIGHTS AND URBAN AFFAIRS, INC.
SCHEDULES OF ACTIVITIES
(WITHOUT DONATED SERVICES)

	FOR THE YEARS ENDED DECEMBER 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUES, AND GAINS:						
Grants and contributions	$ 2,159,618	$ 972,762	$ 3,132,380	$ 1,194,487	$ 681,391	$ 1,875,878
Annual events	1,355,712	-	1,355,712	1,220,284	-	1,220,284
Less, direct benefits to donors	(74,541)	-	(74,541)	(94,790)	-	(94,790)
Legal fees and court awards	554,345	-	554,345	902,782	-	902,782
In-kind contributions	395,140	-	395,140	-	-	-
Fellowship subsidies	195,266	-	195,266	91,373	-	91,373
Investment income, net	80,631	-	80,631	108,132	6,863	114,995
Other income	13,069	-	13,069	23,487	-	23,487
Contracted services revenue	-	-	-	5,676	-	5,676
Net assets released from restrictions	1,098,122	(1,098,122)	-	1,202,344	(1,202,344)	-
TOTAL SUPPORT, REVENUES, AND GAINS	$ 5,777,362	$ (125,360)	$ 5,652,002	$ 4,653,775	$ (514,090)	$ 4,139,685
EXPENSES:						
Program service	$ 3,120,626	$ -	$ 3,120,626	$ 3,161,136	$ -	$ 3,161,136
Supporting services:						
Management and general	1,337,874	-	1,337,874	1,124,137	-	1,124,137
Fundraising	878,880	-	878,880	798,320	-	798,320
TOTAL EXPENSES	$ 5,337,380	$ -	$ 5,337,380	$ 5,083,593	$ -	$ 5,083,593
CHANGES IN NET ASSETS	$ 439,982	$ (125,360)	$ 314,622	$ (429,818)	$ (514,090)	$ (943,908)
NET ASSETS, BEGINNING OF YEAR	1,762,544	761,710	2,524,254	2,192,362	1,275,800	3,468,162
NET ASSETS, END OF YEAR	$ 2,202,526	$ 636,350	$ 2,838,876	$ 1,762,544	$ 761,710	$ 2,524,254