NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Financial Statements
for year ended
December 31, 2025

COMD
Certified Public Accountants

One Battery Park Plaza
New York, NY 10004-1405
Tel: 212-661-7777

Independent Auditor's Report

The Board of Directors
National Center for Law and Economic Justice, Inc.

Opinion

We have audited the accompanying financial statements of National Center for Law and Economic Justice, Inc., (the "Center"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses and cash flows for the year 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 the Center as of December 31, 2025 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Center's 2024 financial statements, and in our report dated June 17, 2025, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Meara McGinty & Donnelly LLP

July 1, 2026

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Statement of Financial Position

Assets

	December 31	
	2025	2024
Current assets		
Cash	$ 481,507	$ 296,943
Investments, at fair value	1,642,790	12,153
Contributions and grants receivable	700,000	335,147
Accounts receivable	3,060	536,414
Prepaid expenses	74,974	59,929
Total current assets	2,902,331	1,240,586
Contributions and grants receivable, net of current portion	115,000	100,000
Property and equipment		
Furniture, fixtures and equipment	33,765	33,765
Less: accumulated depreciation and amortization	33,765	33,765
Net property and equipment	-	-
Right-of-use asset – operating lease, net	2,254,712	2,502,025
Total assets	**$ 5,272,043**	**$ 3,842,611**

Liabilities and Net Assets

	2025	2024
Current liabilities		
Accounts payable and accrued expenses	$ 132,419	$ 169,891
Current portion of operating lease liability	322,665	313,839
Promissory note	-	50,000
Total current liabilities	455,084	533,730
Recoverable grant	-	650,000
Operating lease liability, net	2,175,885	2,408,175
Total liabilities	2,630,969	3,591,905
Net assets		
Without donor restrictions		
Operating fund (deficit)	(361,286)	(1,407,749)
Stabilization fund	1,623,389	605,266
Lease security fund	113,400	113,400
Total without donor restrictions	1,375,503	(689,083)
With donor restrictions	1,265,571	939,789
Total net assets	2,641,074	250,706
Total liabilities and net assets	**$ 5,272,043**	**$ 3,842,611**

See notes to financial statements.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Statement of Activities
For Year Ended December 31, 2025
(with Summarized Comparative Information for the Year Ended December 31, 2024)

	2025						2024
	Without Donor Restrictions						
	Operating Fund	Stabilization Fund	Lease Security Fund	Total	With Donor Restrictions	Total	Total
Public support and revenue							
Public support							
Contributions							
John Dewitt Gregory Racial Justice Fund	$ 14,549	$ -	$ -	$ 14,549	$ -	$ 14,549	$ -
The Freedman Fund for Due Process	-	-	-	-	22,826	22,826	39,609
Partner organization	82,500	-	-	82,500	41,250	123,750	92,880
Paul M. Dodyk EJ Litigation Fund	175,000	-	-	175,000	-	175,000	-
Paul M. Dodyk Fellowship Fund	-	-	-	-	457	457	-
Other	619,227	-	-	619,227	-	619,227	846,361
Grants	147,763	-	-	147,763	1,300,000	1,447,763	497,808
Special events, net of direct costs of $182,186 in 2025 and $170,549 in 2024	543,025	-	-	543,025	-	543,025	380,035
Contributed nonfinancial assets	448,101	-	-	448,101	-	448,101	196,940
Net assets released from restrictions	1,039,625	-	-	1,039,625	(1,039,625)	-	-
Total public support	3,069,790	-	-	3,069,790	324,908	3,394,698	2,053,633
Revenue							
Attorney fees	2,740,190	-	-	2,740,190	-	2,740,190	729,643
Investment return and other	2,619	27,749	-	30,368	874	31,242	5,569
Total revenue	2,742,809	27,749	-	2,770,558	874	2,771,432	735,212
Total public support and revenue	5,812,599	27,749	-	5,840,348	325,782	6,166,130	2,788,845
Expenses							
Program services	2,905,646	-	-	2,905,646	-	2,905,646	2,563,157
Management and general	440,763	-	-	440,763	-	440,763	546,922
Fund-raising	429,353	-	-	429,353	-	429,353	382,330
Total expenses	3,775,762	-	-	3,775,762	-	3,775,762	3,492,409
Increase (decrease) in net assets before transfer	2,036,837	27,749	-	2,064,586	325,782	2,390,368	(703,564)
Interfund transfer	(990,374)	990,374	-	-	-	-	-
Increase (decrease) in net assets	**1,046,463**	**1,018,123**	**-**	**2,064,586**	**325,782**	**2,390,368**	**(703,564)**
Net assets (deficit), beginning of year	**(1,407,749)**	**605,266**	**113,400**	**(689,083)**	**939,789**	**250,706**	**954,270**
Net assets (deficit), end of year	**$ (361,286)**	**$1,623,389**	**$ 113,400**	**$1,375,503**	**$1,265,571**	**$2,641,074**	**$ 250,706**

See notes to financial statements.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Statement of Functional Expenses
For Year Ended December 31, 2025
(with Summarized Comparative Information for the Year Ended December 31, 2024)

	2025					2024
	Program Services	Management and General	Fund-raising	Direct Cost of Special Events	Total	Total
Salaries and related						
Professional salaries	$1,268,158	$ 218,903	$ 249,482	$ -	$1,736,543	$1,734,766
Support staff salaries	166,784	17,577	26,145	-	210,506	186,163
Law students	9,329	983	1,462	-	11,774	10,329
Volunteer legal staff	126,076	-	-	-	126,076	87,706
Volunteer law students	36,552	-	-	-	36,552	30,048
Employee benefits and payroll taxes	435,058	45,850	68,199	-	549,107	447,456
Total salaries and related	2,041,957	283,313	345,288	-	2,670,558	2,496,468
Non-personnel						
Rent and other occupancy costs	282,570	29,780	44,295	-	356,645	355,128
Catering, facility rental and other	-	-	-	182,186	182,186	170,549
Communications	1,308	138	3,380	-	4,826	1,493
Office supplies	36,977	12,446	10,956	-	60,379	24,587
Postage and messengers	654	277	81	-	1,012	204
Staff and board travel	8,260	265	642	-	9,167	2,383
Strategic planning	-	-	-	-	-	15,668
Staff training	7,665	1,220	476	-	9,361	2,027
Telephone	7,653	807	1,200	-	9,660	8,750
Library	17,967	-	-	-	17,967	22,772
Audit fees	-	18,500	-	-	18,500	18,400
Insurance	19,236	1,465	2,180	-	22,881	23,253
Dues and subscriptions	4,650	259	248	-	5,157	5,113
Contract services	53,202	84,800	8,865	-	146,867	162,000
Cultivation and other event	-	-	2,452	-	2,452	-
Donated contract services	285,473	-	-	-	285,473	79,186
Litigation	30,324	-	-	-	30,324	76,805
Transition expenses	79,227	3,240	4,819	-	87,286	-
Funding contract modification/write-off	-	1,247	-	-	1,247	161,814
Bank credit card fees	28,523	3,006	4,471	-	36,000	30,390
Depreciation and amortization	-	-	-	-	-	5,968
Total non-personnel	863,689	157,450	84,065	182,186	1,287,390	1,166,490
Total expenses by function	2,905,646	440,763	429,353	182,186	3,957,948	3,662,958
Less: direct benefits expenses net with revenue on the statement of activities	-	-	-	(182,186)	(182,186)	(170,549)
Total	**$2,905,646**	**$ 440,763**	**$ 429,353**	**$ -**	**$3,775,762**	**$3,492,409**

See notes to financial statements.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Statement of Cash Flows

	Year Ended December 31	
	2025	2024
Cash flows from operating activities		
Increase (decrease) in net assets	$2,390,368	$ (703,564)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Forgiveness of promissory notes	-	(100,000)
Depreciation and amortization	-	5,968
Donated stock	(15,059)	(15,091)
Proceeds from sale of donated stock	15,059	15,091
Change in right-of-use asset – operating lease	247,313	233,826
(Increase) decrease in assets		
Contributions and grants receivable	(379,853)	368,000
Accounts receivable	533,354	(333,480)
Prepaid expenses	(15,045)	764
(Decrease) in accounts payable and accrued expenses	(37,472)	(24,434)
Repayment of operating lease liability	(223,464)	(201,409)
Net cash provided by (used in) operating activities	2,515,201	(754,329)
Cash flows from investing activities		
Change in money market funds portfolio	(1,630,637)	40,034
Cash flows from financing activities		
Proceeds from recoverable grant	-	650,000
Proceeds from promissory notes	-	225,000
Promissory notes repayments	(50,000)	(75,000)
Repayment of recoverable grant	(650,000)	-
Net cash provided by (used in) financing activities	(700,000)	800,000
Net increase in cash	**184,564**	**85,705**
Cash, beginning of year	**296,943**	**211,238**
Cash, end of year	**$ 481,507**	**$ 296,943**
Supplemental disclosure of cash flows information:		
Cash paid for interest	**$ -**	**$ 3,000**

See notes to financial statements.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements
December 31, 2025

Note 1 – Organization and purpose and summary of significant accounting policies

The National Center for Law and Economic Justice, Inc. (the "Center") was founded in 1965 and subsequently incorporated under the Not-for-Profit Corporation Law of the State of New York. The Center advances economic, racial, and disability justice for low-income individuals, families, and communities across the country.

The Center delivers the following program services:

Civil Rights/Racial Justice: Economic inequality remains one of the most persistent and harmful consequences of discrimination and white supremacy. Our collective failure to provide a social safety net has robbed low-income people—disproportionately people of color and people with disabilities—of the most basic opportunity to survive and thrive. Employment discrimination relegates people of color disproportionately to low-wage jobs that provide neither a living wage, health benefits or a safe work environment. Predatory lending and limited access to fair credit limits opportunities for advancement by making it difficult for people of color to obtain loans for acquiring housing and creating wealth. Targeted and discriminatory law enforcement and unfair assessment and collection of civil fines and fees perpetuates debt, criminalizes poverty and deprives individuals and communities of public safety. Using litigation, public education, legislative reform and support of grassroots organizing, the Center aims to end policies and practices that perpetuate inequality and to make real the dream of opportunity that has been denied too many for far too long.

Public Benefits Advocacy: The Center works to ensure that government policies and practices are accessible to households who receive critical cash assistance, food stamps, and Medicaid for which they are eligible. When government agencies fall short of their legal obligations – for example, by making it difficult for people to apply or access benefits, obstruct timely assistance or accommodation, or prematurely roll out a faulty computer system that denies subsistence benefits to thousands of eligible families, the Center uses court challenges to redress the harm and hold public officials accountable.

Support for Low-Wage Workers: Abusive employer practices and stagnant wages prevent many workers, even those able to find full-time employment, from earning a living wage. Wage theft is rampant: all too often, employers violate labor and employment laws by failing to pay the minimum wage for all hours worked, refusing to pay overtime, or classifying employees as independent contractors to avoid laws that protect workers. These violations disproportionally affect women, people of color, and immigrants. Women make up the majority of the low-wage workforce, while people of color and immigrants are similarly overrepresented in low-paying jobs and industries. Further, many workers are excluded from the protections afforded by labor and employment law, including health and safety standards and freedom from discrimination. The Center provides litigation support and advocacy to improve conditions and fight for more just policies. The Center also works in support of grassroots worker centers and other organizers and has been in the vanguard of the worker-driven social responsibility (WSR) movement.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 1 – Organization and purpose and summary of significant accounting policies (continued)

Combatting Unfair Debt Collection: The Center protects low-income debtors and leads the fight against abusive debt collection practices that undermine families' and communities' economic stability. Although those practices may be imposed by private or public actors, increasingly, that work focuses on abusive debt collection policies and practices by governmental actors. We challenge attempts to collect fines and fees from persons too poor to pay and against whom the government may, for example, take away a driver's license or intercept a state tax refund.

Financial reporting

The financial statements of the Center are maintained on an accrual basis of accounting. The assets of the Center less liabilities represent the net assets which are reported in two classes as follows:

Net assets without donor restrictions

The Center's net assets without donor restrictions are available to support operations. The only limits on the use of these net assets are internal Board designations.

Operating fund

The Operating fund is used to account for the general activities of the Center.

Stabilization fund

During 2000, the Board of Directors (the "Board") authorized the establishment of the Stabilization fund. In connection therewith, the Board also authorized a transfer of $300,000 into the newly established fund. Funds for the Stabilization fund come from a portion of the attorney fees generated by the Center, as determined by the Board. In 2012, the Board determined that the Stabilization fund should be credited with the lesser of either (1) 50% of legal fees actually received and appropriately accrued or (2) the amount that would be remaining after application of such fees to any operating deficit that would otherwise result.

The net assets of the fund can be used at the discretion of the Board. During 2025, based on an internal working capital policy, the Center transferred $990,374 from the Operating fund to the Stabilization fund. In 2024, the Board authorized a $25,000 transfer from the Stabilization fund to the Operating fund.

Lease security fund

The Lease security fund is used to account for the Center's letter of credit serving as security for the lease. The current amount designated to the Lease security fund is $113,400, as required by the terms of the Center's lease at 50 Broadway and therefore a transfer of $22,680 was made from the Lease Security Fund to the Operating Fund during 2024.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 1 – Organization and purpose and summary of significant accounting policies (continued)

Financial reporting (continued)

Net assets with donor restrictions

Net assets with donor restrictions consist of grants and contributions that are restricted by the donor for a specific purpose or relate to future periods. Once that specific purpose has been met or time restriction expires, the funds are released from their restrictions and reclassified to net assets without donor restrictions.

Contributed nonfinancial assets

The Center receives donated services towards its programs from law students and attorneys volunteering their time and law firms loaning their employees to the Center. The Center values these services at the hourly rate for which the Center would have hired the individual. The fair market value of these volunteered and donated professional services has been included in the statement of activities as both public support and revenue under contributed nonfinancial assets and expenses under salaries and related.

Contributions

Contributions and grants received, including unconditional promises to give, are recognized as support in the period received at their fair values. Contributions and grants are recorded as support with donor restrictions if they are received with donor stipulations that limit their use. Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenue recognition

Attorney fees are recognized as revenue when earned and the Center has determined that the performance obligation with respect to attorney fees has been satisfied and the amount is reasonably determinable.

All of the Center's revenue is recognized at a point in time.

Cash and cash equivalents

The Center considers highly liquid investments with original maturities if 90 days or less to be cash equivalents. The Center did not have any cash equivalents as of December 31, 2025 and December 31, 2024.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 1 – Organization and purpose and summary of significant accounting policies (continued)

Allowance for credit losses

The Center considers all contributions, grants and accounts receivable to be collectible, and accordingly, does not have an allowance for credit losses. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current and future anticipated economic conditions. During 2025 and 2024, the Center had bad debt expense of $1,247 and $161,814, respectively, with the 2024 write-off being connected with a funding contract modification.

Investments

Investments are recorded at fair value and consist of money market funds as of December 31, 2025 and December 31, 2024.

Fair value measurements

Fair value measurements establish a hierarchy that prioritizes the inputs used to measure fair value into three broad levels. The Center's investments are measured using Level 1 inputs, which are defined as quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Property and equipment

Property and equipment with an estimated useful life of 10 years or more are capitalized and recorded at cost. Depreciation has been provided in the financial statements utilizing the straight-line method over the estimated useful lives of the assets ranging from 10 to 20 years. Leasehold improvements are amortized over the term of the lease or the estimated useful life, whichever is shorter.

Operating leases

Right of use assets and a lease liabilities are recognized at the lease commencement date based on the future lease payment over the expected lease term. The Center has elected to use a risk-free rate at the lease commencement date to discount its office lease to their net present value. The Center has elected to not record leases with an initial term of 12 months or less.

Deferred rent

The Center's office space lease is an operating lease agreement. Landlord incentives and rent escalation clauses which provide for scheduled rent increases during the lease term are recorded on a straight-line basis over the lease term. The difference between the rent due under the stated periods compared to the straight-line basis are recorded net with the right-of-use asset in the statement of financial position.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 1 – Organization and purpose and summary of significant accounting policies (continued)

Functional allocation of expenses

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain common costs have been allocated among the program services and supporting services benefited.

Concentrations of credit risk

The Center's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, investments and receivables. The Center places its cash with what it believes to be quality financial institutions. At times, cash balances exceeded the FDIC insurance limit. The Center has not experienced any losses in these accounts to date. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Accordingly, it is reasonably possible that changes in the risks could materially affect the fair value of the investments reported in the statement of financial position as of December 31, 2025. Receivables are reviewed for collectability on an ongoing basis. Accordingly, the Center believes no material concentrations of credit risk exist with respect to its cash, investments and receivables.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions, such as the collectability of accounts receivable and estimates of accrued expenses, which affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Subsequent events

The Center has evaluated events and transactions for potential recognition or disclosure through July 1, 2026, which is the date the financial statements were available to be issued.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 2 – Liquidity and availability of financial assets

The Center's working capital and cash flows have variations during the year attributable to cash receipts from contributions, grants, special events and attorney fees. The following is a summary of the Center's financial assets as of December 31, 2025 and December 31, 2024, available for general use within one year of the statement of financial position date:

	2025	2024
Cash	$ 481,507	$ 296,943
Investments, at fair value	1,642,790	12,153
Current portion of contributions and grants receivable	700,000	335,147
Accounts receivable	3,060	536,414
Total financial assets	2,827,357	1,180,657
Less: Lease security fund	113,400	113,400
Net assets with donor restrictions	1,265,571	939,789
Financial assets available to meet cash needs for general expenditures within one year	$ 1,448,386	$ 127,468

Note 3 – Contributions and grants receivable

Contributions and grants receivable are unconditional promises to make contributions to the Center. As of December 31, 2025 and December 31, 2024, contributions and grants receivable are expected to be received as follows:

	2025	2024
Due within one year	$ 700,000	$ 335,147
Due in one to five years	115,000	100,000
Total	$ 815,000	$ 435,147

Note 4 – Contributions, grants and net assets released from restrictions

The Center reports contributions and grants as net assets with donor restrictions if they are received with donor stipulations, which limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. The Center follows the New York State Not-for-Profit Corporation Law when adhering to donor-restricted contributions. The activity in the Center's donor-restricted contributions for the years ended December 31, 2025 and December 31, 2024 were as follows:

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 4 – Contributions, grants and net assets released from restrictions (continued)

	2025			
	Balance December 31, 2024	Support and Revenue	Released from Restrictions	Balance December 31, 2025
Time restricted	$ 327,808	$ -	$ (176,142)	$ 151,666
Purpose restricted	611,981	1,365,407	(863,483)	1,113,905
Total	$ 939,789	$1,365,407	$(1,039,625)	$1,265,571

	2024			
	Balance December 31, 2023	Support and Revenue	Released from Restrictions	Balance December 31, 2024
Time restricted	$ 237,808	$ 360,000	$ (270,000)	$ 327,808
Purpose restricted	1,293,426	310,569	(992,014)	611,981
Total	$1,531,234	$ 670,569	$(1,262,014)	$ 939,789

Note 5 – Recoverable grant

In July 2024, the Center entered into a recoverable grant agreement (the "agreement") with a non-profit organization whereby the Center could borrow up to $500,000 for a three-year period ending July 2027. The agreement was modified in November 2024, allowing the Center to borrow up to $650,000. The agreement calls for interest at 7% per annum and matures on the 10th anniversary of the last draw during the borrowing period ending in July 2027. The Center is only obligated to repay the loan in the event of fee recoveries in an amount equal to the lesser of 50% of the fee recovery or the total outstanding principal and interest on the agreement. In the absence of a fee recovery, the Center will have no obligation to repay the unpaid principal and interest at maturity and the Center will be released and discharged from its obligation. The agreement is secured by a first-priority interest in all of the Center's right, title and interest in 100% of the proceeds or any fee recovery arising from and relating to the Center's case portfolio. The Center repaid the then outstanding balance on the agreement during 2025 and there was no outstanding balance as of December 31, 2025.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 6 – Operating lease liability

During April 2021, the Center entered into a lease agreement for office space commencing November 16, 2021 and expiring October 31, 2032 at an initial base annual rent of $291,816 increasing to $413,461 during the final year of the lease. The Center received a six-month rent abatement at the commencement of the lease.

In addition to the base annual rent, the Center is required to pay its proportionate share of increases in certain operating costs of the landlord as outlined in the lease. In connection with the lease, in lieu of a cash deposit, the Center has an irrevocable standby letter of credit of $113,400 from a bank in favor of the landlord to be used in the event of default pursuant to the terms of the lease.

Related occupancy costs for the years ended December 31, 2025 and December 31, 2024 totaled $352,238 (including rent of $318,032 and utility costs of $34,206) and $351,336 (including rent of $318,032 and utility costs of $33,304), respectively.

The following are the required future minimum annual rental payments under the lease:

Year	Amount
2026	$ 322,665
2027	346,973
2028	365,767
2029	376,150
2030	386,845
2031 and thereafter	753,796
Total	2,552,196
Less: present value discount	53,646
Operating lease liability	2,498,550
Less: current portion	322,665
Long-term portion	$ 2,175,885

Note 7 – Promissory notes

During 2024, the Center received $175,000 in interest-free loans from four Board Members secured by an interest in an unpaid bequest and grant installment. The proceeds were used for general operations. During 2024, loans totaling $100,000 were forgiven and $25,000 was repaid by the Center. The balance outstanding as of December 31, 2024 was $50,000. In June 2025, the balance outstanding of these loans were repaid in full and there were no outstanding balances as of Decemebr 31, 2025.

In addition, during June 2024, the Center received a $50,000 interest-free loan from a company that was secured by an interest in an unpaid bequest and grant installment. The loan was repaid in full in December 2024. The proceeds were used for general operations.

NATIONAL CENTER FOR LAW AND ECONOMIC JUSTICE, INC.

Notes to Financial Statements (continued)
December 31, 2025

Note 8 – Retirement plan

The Center has a 403(b) plan (the "Plan") for all eligible employees. Eligible employees may defer a portion of their compensation not to exceed limits established under the Internal Revenue Code. The Center made contributions to the Plan at the rate 7.5% of a participant's compensation. Such contributions are vested 100% immediately for the benefit of the employee. The Center's contributions to the Plan totaled $131,002 and $75,315 for the years ended December 31, 2025 and December 31, 2024, respectively.

Note 9 – Tax status

The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation under the meaning of Section 509(a)(1) of the Code. The Center qualifies for the maximum charitable contribution deductions for donors.