

THE PUBLIC INTEREST LAW CENTER

FINANCIAL STATEMENTS

December 31, 2025

(With Comparative Totals for 2024)

THE PUBLIC INTEREST LAW CENTER

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
<u>Financial Statements:</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 19

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Public Interest Law Center
Philadelphia, Pennsylvania

Opinion

We have audited the accompanying financial statements of The Public Interest Law Center (a nonprofit organization), 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 Public Interest Law Center as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Public Interest Law 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 Public Interest Law 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, including omissions, 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 Public Interest Law 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 Public Interest Law 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 Public Interest Law Center's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 14, 2025. 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.



SNYDER, DAITZ & COMPANY

Philadelphia, PA

May 15, 2026

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF FINANCIAL POSITION

December 31, 2025

(With Comparative Totals for 2024)

	2025	2024
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 972,671	\$ 760,512
Accounts receivable	49,491	65,750
Grants and contributions receivable	439,700	506,703
Prepaid expenses	48,667	39,328
Total Current Assets	\$ 1,510,529	\$ 1,372,293
<u>OTHER ASSETS</u>		
Grants and contributions receivable	0	\$ 75,000
Investments	\$ 3,357,143	2,826,960
Property and equipment, net	316	1,737
Deposits	45,790	11,923
Leases - Right of use asset	54,737	196,882
	\$ 3,457,986	\$ 3,112,502
Total Assets	\$ 4,968,515	\$ 4,484,795
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 24,798	\$ 31,063
Payroll and withholdings payable	43,712	59,621
Deferred revenue	0	9,142
Lease - Right of use liability	23,124	187,903
Total Current Liabilities	\$ 91,634	\$ 287,729
<u>NONCURRENT LIABILITIES</u>		
Lease - Right of use liability	\$ 33,292	\$ 25,131
Total Liabilities	\$ 124,926	\$ 312,860
<u>NET ASSETS</u>		
Without donor restrictions		
Other unrestricted	\$ 818,665	\$ 896,257
Designated by the Board	1,572,088	1,455,548
Total Without Donor Restrictions	\$ 2,390,753	\$ 2,351,805
With donor restrictions	2,452,836	1,820,130
	\$ 4,843,589	\$ 4,171,935
Total Liabilities and Net Assets	\$ 4,968,515	\$ 4,484,795

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF ACTIVITIES
Year ended December 31, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
<u>REVENUE</u>				
Foundation grants	\$ 151,750	\$ 731,100	\$ 882,850	\$ 1,013,843
Law firm and business support	536,487	0	536,487	395,470
Individual contributions	700,465	316,400	1,016,865	628,368
In-kind professional services	278,050	0	278,050	1,083,038
Fee awards	0	0	0	47,100
Contracts and honorarium	220,340	0	220,340	64,164
Investment income	243,400	171,243	414,643	301,066
Other	0	0	0	14,888
Net assets released from restrictions:				
Satisfaction of purpose restrictions	526,037	(526,037)	0	0
Satisfaction of time restrictions	60,000	(60,000)	0	0
Total Revenue	\$ 2,716,529	\$ 632,706	\$ 3,349,235	\$ 3,547,937
<u>EXPENSES</u>				
Program services	\$ 1,865,799	0	\$ 1,865,799	\$ 2,509,943
General and administrative	340,649	0	340,649	367,926
Fundraising	471,133	0	471,133	389,748
Total Expenses	\$ 2,677,581	0	\$ 2,677,581	\$ 3,267,617
Change in Net Assets	\$ 38,948	\$ 632,706	\$ 671,654	\$ 280,320
Net Assets, Beginning	2,351,805	1,820,130	4,171,935	3,891,615
Net Assets, Ending	\$ 2,390,753	\$ 2,452,836	\$ 4,843,589	\$ 4,171,935

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF FUNCTIONAL EXPENSES Year ended December 31, 2025 (With Comparative Totals for 2024)

	<u>Program Services</u>	<u>General & Administration</u>	<u>Fundraising</u>	<u>2025 Total</u>	<u>2024 Total</u>
EXPENSES					
Case and court costs	\$ 20,851	0	0	\$ 20,851	\$ 4,135
In-kind professional services	252,020	\$ 8,594	0	260,614	1,083,038
Salaries	1,072,641	189,128	\$ 219,658	1,481,427	1,338,816
Payroll taxes	83,371	12,524	15,089	110,984	100,794
Benefits	66,564	10,000	12,047	88,611	90,553
Retirement	36,615	5,500	6,627	48,742	26,086
Professional fees	50,529	64,376	70,212	185,117	160,860
Rent and electricity	122,094	15,366	24,761	162,221	166,564
Conference and travel	13,613	0	0	13,613	11,336
Insurance	22,514	2,834	4,566	29,914	31,509
Library and subscriptions	34,249	0	0	34,249	25,439
Newsletter and fundraising	11,714	0	11,714	23,428	7,686
Office expenses	77,955	32,192	15,810	125,957	141,624
Events expenses	0	0	90,432	90,432	72,102
Depreciation	1,069	135	217	1,421	7,075
	<u>\$ 1,865,799</u>	<u>\$ 340,649</u>	<u>\$ 471,133</u>	<u>\$ 2,677,581</u>	<u>\$ 3,267,617</u>

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

STATEMENT OF CASH FLOWS Year ended December 31, 2025 (With Comparative Totals for 2024)

	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 671,654	\$ 280,320
Adjustments to reconcile to cash from operations		
Donated securities	(32,454)	(25,581)
(Gain) loss on market value of securities	(111,917)	(44,883)
Depreciation	1,421	7,075
Dividends	(267,712)	(232,509)
Contributions restricted for permanent endowment	(316,400)	0
(Increase) decrease in:		
Accounts receivable	16,259	1,417
Grants and contributions receivable	142,003	(90,525)
Prepaid expenses	(9,339)	(11,689)
Deposits	(33,867)	0
Leases - Right of use asset	142,145	171,146
Increase (decrease) in:		
Accounts payable and accrued expenses	(6,265)	2,309
Payroll and withholdings payable	(15,909)	(62,350)
Agency funds liability	0	(2,520)
Deferred revenue	(9,142)	(9,526)
Leases - Right of use liability	(156,618)	(177,228)
 Net cash provided (used) by operating activities	 \$ 13,859	 \$ (194,544)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Dividends	\$ 267,712	\$ 232,509
Proceeds from sales of investments	187,157	146,237
Purchase of investments, including reinvested dividends net of fees	(572,969)	(231,805)
 Net cash provided (used) by investing activities	 \$ (118,100)	 \$ 146,941
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Contributions restricted for permanent endowment	\$ 316,400	0
 Net Increase (decrease) in Cash for Year	 \$ 212,159	 \$ (47,603)
Cash balance, beginning	760,512	808,115
Cash balance, ending	\$ 972,671	\$ 760,512
 <u>NON-CASH TRANSACTIONS:</u>		
Transactions with the Organization's brokerage account, which were retained within the account and did not always affect cash, include the following:		
Sale of securities	\$ 216,626	\$ 2,863,928
Purchase of securities	306,000	2,741,821
Donated securities received	32,454	25,581
Reinvested interest and dividends	267,712	232,509
Investment fees	743	704

The accompanying letter and notes are an integral part of this statement.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 1 - ORGANIZATIONAL ACTIVITY

The Public Interest Law Center (formerly Public Interest Law Center of Philadelphia) was incorporated January 31, 1974 under the Non-Profit Corporation Law of the Commonwealth of Pennsylvania. Its purpose is to provide legal services in the public interest through legal representation and litigation, counseling, aid and assistance to individuals, groups, and organizations requiring or requesting such services. The major sources of the Organization's revenue come from support from the legal community, general public, its Board, and foundations in the form of contributions, grants and contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Date of Management's Review

Subsequent events were evaluated through May 15, 2026, which is the date the financial statements were available to be issued.

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The financial statements are presented in accordance with FASB ASC 958 Presentation of Financial Statements of Not-for-Profit Entities. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are detailed in Note 8.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures. Actual results could differ from those estimates.

Significant estimates are made in calculating the value of donated services.

Cash and Cash Equivalents

Cash and cash equivalents includes cash and highly liquid instruments purchased with an original maturity of three months or less.

Accounts Receivable Reserves

The Organization reviews its receivables on a regular basis for collectability. The Organization considers all receivables fully collectible, accordingly, no allowance for doubtful accounts is required. When a question of the collectability of a particular receivable arises it is written off or reserved for at that time. Recoveries of items previously charged off are recognized as income when received.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of furniture and equipment is provided over the estimated useful lives of the related assets, 3 to 10 years, using the straight-line method. Major renewals and improvements are recorded to the assets accounts while maintenance and repairs which do not improve or extend the life of the respected assets are expensed.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue

On January 1, 2019, the Organization adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "ASC 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. The Organization's revenue that fall within the scope of ASC 606 are presented as such and are recognized as revenue as the Organization satisfies its obligation to the customer. Revenue within the scope of ASC 606 primarily includes its fee awards and contracts for program services. Funds received in advance, with the obligation to the customer yet to be delivered are recorded as deposit liabilities on the balance sheet. The net effect of the change on revenue and net assets was immaterial.

Awards for fees and out-of-pocket costs are awarded by court order or settlement and are recorded when awarded or when a settlement agreement is finalized by its terms. Other revenue is recognized when it is earned under the terms of the contract.

Contributions

Contributions received are recorded as "without donor restrictions" or "with donor restrictions", depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in donor restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Only a donor can impose a restriction; the Board may designate contributions for a purpose, but the contribution is classified as unrestricted in that case. If a contribution is made with a donor-imposed condition, it is not recorded until the condition has been met.

A further distinction is to be made whether a gift is a contribution (a voluntary non-reciprocal transfer of funds or cancellation of liability from one organization to another); an exchange transaction (each party receives and sacrifices commensurate value); or an agency transaction (the recipient organization acts as an agent, trustee, or intermediary on behalf of another organization).

A promise to give is a written agreement to contribute if there is sufficient evidence in the form of verifiable documentation that a promise was made and received and that it is legally enforceable. When a promise to give is recorded, it requires the same classifications and distinctions as a contribution, as above.

Contributions with donor-imposed restrictions or conditions are to be recorded as restricted support even if the restriction or condition is met in the same reporting period.

Donated marketable securities and long-lived assets are recorded as contributions at their fair values at the date of donation.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributed Services

As prescribed by FASB ASC 958, The Public Interest Law Center has recognized contributions of \$260,614 in professional services from 12 individuals and firms in 2025, and \$1,083,038 in professional services from 12 individuals and firms in 2024, which were donated to the organization in connection with its operations. This amount is included both in revenue and expenses as in-kind professional services.

In addition, in-kind case cost expenses totaling \$17,436 in 2025 were donated by two law firms in connection with their pro bono cases.

The value of the services is determined using market knowledge and standardized rates applied to the hours reported by the professionals. The value of the services is recognized only where there is no potential compensation to the firm or individual.

In addition, The Public Interest Law Center receives professional services in connection with certain cases where the individuals and firms may possibly be compensated if the cases result in a favorable outcome. The value of these services, not recognized in the financial statements, is estimated to be approximately \$285,140 in 2025 and \$242,405 in 2024.

Unpaid volunteers also donate their time and effort to The Public Interest Law Center. The value of these services is not recognized in the financial statements as they do not meet the criteria for recognition under FASB ASC 958.

Leases

On January 1, 2022, the Organization adopted ASU 2016-02 (ASC 842) *Leases*, which provides a framework for the reporting and disclosure of an organization's lease agreements. Under the new ASU, a lessee recognizes a right-of-use (ROU) asset and related lease liabilities on the balance sheet for most leases based on the present value of future lease payments. The Organization has elected to implement the new lease standard under the Transition Alternative provided for in ASU 2018-11. Under this alternative, the new lease standard is applied to all leases existing as of January 1, 2022.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied.

Salaries and benefits are allocated based on estimates of time and effort. Professional fees and event expenses are allocated based on the cost, usage and related benefits of the specific services provided. Rent and occupancy, insurance, office expenses and depreciation are allocated based on the percentages derived from the estimated allocation of salaries. Certain other costs including case costs, in-kind legal services, conferences and travel, and library and subscription costs, are related directly to the Organization's programs and are thus reflected as program costs.

Income Taxes

The Public Interest Law Center is a non-profit corporation exempt from taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior year's amounts have been reclassified to conform with the December 31, 2025 presentation.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 3 – LIQUIDITY MANAGEMENT

The Public Interest Law Center's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Financial assets at year end:	
Cash and cash equivalents	\$ 972,671
Accounts receivable	49,491
Grants and contributions receivable	439,700
Investments	<u>3,357,143</u>
Total financial assets	<u>\$4,619,005</u>
Less: Amounts not available to be used within one year:	
Net assets with purpose restrictions	
Cash	(\$ 529,982)
Grants and contributions receivable	(404,700)
Investments:	
Robert Wolf Fund included in Vanguard funds	(121,195)
Thomas L. Gilhool Disabilities Rights Center Fund at Philadelphia Foundation	(75,143)
Barbara Macholz Grimaldi Racial Justice Fund included in Vanguard Funds	(103,500)
Clarke Scholars Fund included in Vanguard Funds	(275,863)
Berkman Family Fund included in Vanguard Funds	(331,425)
Capital Campaign Permanent Endowment Fund included in Vanguard Funds	<u>(586,028)</u>
	<u>(\$2,427,836)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 2,391,169</u>

Cash and cash equivalents of \$972,671 reflected on the statement of financial position includes \$529,982 of cash restricted by donors for certain purposes.

Grants and contributions receivable of \$439,700 reflected on the statement of financial position includes \$404,700 restricted by donors for certain purposes.

The investments of \$3,357,143 reflected on the statement of financial position can be liquidated with board authorization and would be available if necessary, except for \$1,493,154 held in the five permanent endowment funds.

The Public Interest Law Center's goal is generally to maintain financial assets available to meet 90 days of operating expenses.

As part of its liquidity plan, the Organization's audit/finance committee performs a monthly review of financial statements, and reviews the Organization's cash as well as its projected cash flows. If additional cash is projected to be needed, the Organization has available unrestricted liquid investments in a Vanguard Money Market fund. It also maintains a \$250,000 line of credit with a banking institution. The audit/finance committee also considers on a periodic basis whether to invest a portion of the Organization's operational cash or liquid investments in higher yield investments.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 4 - INVESTMENT AND FAIR VALUE MEASUREMENTS

Investments consist of the following at December 31:

	Cost	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)
2025				
Vanguard Funds				
Growth and Income	\$ 867,151	\$ 911,770	\$ 911,770	0
Short-Term Investment Grade	550,950	430,409	430,409	0
Wellesley Income	790,938	788,374	788,374	0
Wellington Fund	650,920	654,653	654,653	0
Federal Money Market	<u>496,794</u>	<u>496,794</u>	<u>496,794</u>	<u>0</u>
Total Vanguard Funds	<u>\$3,356,753</u>	<u>\$3,282,000</u>	<u>\$3,282,000</u>	<u>0</u>
Beneficial Interests in Funds Held by Community Foundations				
Philadelphia Foundation	<u>39,993</u>	<u>75,143</u>	<u>0</u>	<u>\$ 75,143</u>
	<u>\$3,396,746</u>	<u>\$3,357,143</u>	<u>\$3,282,000</u>	<u>\$ 75,143</u>
2024				
Vanguard Funds				
Growth and Income	\$ 848,686	\$ 832,619	\$ 832,619	0
Short-Term Investment Grade	361,891	362,891	362,891	0
Wellesley Income	686,528	665,301	665,301	0
Wellington Fund	597,719	576,167	576,167	0
Federal Money Market	<u>319,723</u>	<u>319,723</u>	<u>319,723</u>	<u>0</u>
Total Vanguard Funds	<u>\$2,814,547</u>	<u>\$2,756,701</u>	<u>\$2,756,701</u>	<u>0</u>
Beneficial Interests in Funds Held by Community Foundations				
Philadelphia Foundation	<u>43,707</u>	<u>70,259</u>	<u>0</u>	<u>\$ 70,259</u>
	<u>\$2,858,254</u>	<u>\$2,826,960</u>	<u>\$2,756,701</u>	<u>\$ 70,259</u>

Gains and losses (realized and unrealized) included in changes in net assets for the years ended December 31, 2025 and 2024 are reported in investment income or losses on the Statement of Activities. All such gains and losses for 2025 and 2024 were a result of transactions where values have been measure using Level 1 inputs, except for gains of \$7,855 in 2025, and \$6,824 in 2024, which were measured using Level 2 inputs.

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2025 and 2024

NOTE 4 - INVESTMENT AND FAIR VALUE MEASUREMENTS – CONTINUED

FASB ASC 820-10 (formerly No. 157, *Fair Value Measurements*), establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are those other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3 inputs are those unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value, with fair value of investments based on quoted net asset values of shares held at year-end. Level 2 inputs were used where available to the Organization, and Level 3 inputs are only used when Level 1 and 2 inputs are not available.

Level 1 Fair Value Measurements

The fair value of mutual funds are based on quoted net asset values of the shares held at year-end.

Level 2 Fair Value Measurements

The fair value of Beneficial Interests in Funds Held by Community Foundations are valued at cost, which approximates the fair value of the assets held at the foundation at year end.

NOTE 5 – GRANTS AND CONTRIBUTIONS RECEIVABLE

Represents unconditional promises to give, as explained in Note 2, for use as follows:

	<u>2025</u>	<u>2024</u>
Capital Campaign Pledges	\$ 10,000	\$ 20,603
Fair Education Funding	70,000	283,600
Housing	25,000	12,500
Environmental Justice	259,700	230,000
Voting Rights	50,000	0
General Operating Grants	<u>25,000</u>	<u>35,000</u>
	<u>\$439,700</u>	<u>\$581,703</u>
Amounts due:		
Within one year	\$439,700	\$506,703
One to five years	<u>0</u>	<u>75,000</u>
	<u>\$439,700</u>	<u>\$581,703</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$181,917	\$181,917
Leasehold improvements	<u>6,630</u>	<u>6,630</u>
	\$188,547	\$188,547
Less: Accumulated Depreciation	<u>188,231</u>	<u>186,810</u>
	<u>\$ 316</u>	<u>\$ 1,737</u>

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2025 and 2024

NOTE 7 – DEPOSITS

Represents security deposits for the organization's current and future office space, and a down payment deposit on office furnishings received and placed in service in 2026:

	2025	2024
Office lease, current	\$ 11,923	\$ 11,923
Office lease, future	14,535	0
Deposit on purchase of office furnishings	19,332	0
	\$ 45,790	\$ 11,923

NOTE 8 - LINE OF CREDIT

The Public Interest Law Center has a \$250,000 revolving line of credit with Huntington National Bank dated September 23, 2011 and available until July 10, 2026. Outstanding balances are due on demand and carry interest at a variable rate equal to the Bank's Daily Simple SOFR rate, plus an Applicable Margin of 1.50%. Draws on the line of credit are governed by a board-approved policy, under which the Executive Director has the discretion to make draws from the line of credit up to 80% of the line. Advance written approval is required from the Chair of the Audit/Finance committee and from the Chair of the Board, or their designees, before making any draws from the line of credit that would take the balance over 80% of the line. The duration of outstanding balances on the line, and the expected repayments are monitored by the Audit/Finance committee.

There was no balance outstanding on the line as of December 31, 2025 and 2024.

NOTE 9 – NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions represents funds retained by The Public Interest Law Center that were received without any donor-imposed restrictions. In addition, donor-restricted contributions whose restrictions have been met in the same reporting period are reported as without donor restrictions. Included in net assets without donor restrictions are the following board designated funds:

	2025	2024
<u>Board Designated</u>		
Long-term financial support	\$1,555,794	\$1,440,473
Barbara Macholz Grimaldi		
Racial Justice Fund (Board Designated Portion)	16,294	15,075
	\$1,572,088	\$1,455,548

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2025 and 2024

NOTE 9 – NET ASSETS – CONTINUED

Net Assets With Donor Restrictions

Net assets with donor restrictions represents resources restricted by the donor as to time of the usage of the funds, or the purpose for which the funds are used. Net assets with donor restrictions are available for the following purposes:

	<u>2025</u>	<u>2024</u>
Education	\$ 239,369	\$372,316
Housing	25,000	12,500
Environmental Justice	425,278	315,713
Voting Rights	177,011	0
Legal Server	4,200	5,700
Lawyer Professional Development	21,162	25,000
Office Furniture	11,878	0
Accessible and Accountable Local Government	29,599	0
Clarke Scholars Fund (released from endowment)	1,185	0
Time Restricted	<u>25,000</u>	<u>35,000</u>
	<u>\$ 959,682</u>	<u>\$766,229</u>
Robert Wolf Fund:		
This fund is included within the Vanguard investments. Income earned on the permanently restricted principal of the endowment can be used for operating purposes.	121,195	112,187
Thomas L. Gilhool Disabilities Rights Center Fund:		
This fund is held at the Philadelphia Foundation. Income earned in the fund can also be used to enable the Law Center to continue to assist persons with disabilities through legal representation, research, training and education.	75,143	70,259
Barbara Macholz Grimaldi Racial Justice Fund:		
This fund is included within the Vanguard investments. Income earned on the permanently restricted principal is also restricted for racial justice purposes.	103,500	94,273
Clarke Scholars Fund:		
This fund is included within the Vanguard investments. Income earned on the permanently restricted principal is restricted to providing a stipend for one law student each year who would not otherwise have the means to accept a summer internship with the Law Center.	275,863	248,675
Berkman Family Fund		
This fund is included within the Vanguard investments. Income earned on the permanently restricted principal of the endowment can be used for operating purposes.	331,425	0
Capital Campaign Permanent Endowment:		
This fund is included within the Vanguard investments. Income earned on the permanently restricted principal of the endowment can be used for operating purposes.	<u>586,028</u>	<u>528,507</u>
	<u>\$2,452,836</u>	<u>\$1,820,130</u>

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2025 and 2024

NOTE 10 – ENDOWMENTS

Permanent Endowments

The Law Center has a long-standing endowment fund, the Robert Wolf Fund, the income from which can be used for operating support. These funds are held in the Vanguard investments.

In 2016, the Law Center established the Thomas L. Gilhool Disability Rights Center Fund with the Philadelphia Foundation. The funds were irrevocably transferred to the community foundation, where they are held in diversified investment portfolios. Distributions from the funds are to support the Law Center's work on behalf of people with disabilities.

The funds held at Philadelphia Foundation are recorded as assets in these financial statements. This is in accordance with FASB ASC 958-605 (formerly FAS 136, Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others), as the Organization has the right to receive the distributions from the income from the Fund. Also, in accordance with FASB ASC 985-605, these amounts contributed by the Organization to the community foundation funds are classified as permanently restricted net assets in the financial statements. Amounts contributed directly by other donors to the Fund, if any, are not reflected in the financial statements.

During the year ended December 31, 2019, the Law Center initiated a capital campaign whereby donors were given the opportunity to contribute to various programs of the organization, as well as to contribute to a permanent endowment to provide future operating and programmatic support for the organization. These funds are held in the Vanguard investments.

In 2025, the Law Center received a contribution of \$300,000 to its permanent endowment, the income from which can be used for operating support. These funds are held in the Vanguard investments.

The Organization is permitted by Pennsylvania law to spend between 2% and 7% of the average balance over the past three years of the permanent endowment funds.

The Law Center's permanent endowments are summarized as follows:

	<u>2025</u>	<u>2024</u>
Operating Support		
Robert Wolf Fund	\$ 121,195	\$ 112,187
Berkman Family Fund	331,425	0
Capital Campaign Permanent Endowment	<u>586,028</u>	<u>528,507</u>
	<u>\$ 1,038,648</u>	<u>\$ 640,694</u>
Disability Rights Programs		
Thomas L. Gilhool Disabilities Rights Center Fund	75,143	70,259
Racial Justice Programs		
Capital Campaign - Barbara Macholz Grimaldi		
Racial Justice Fund	103,500	94,273
Clarke Scholars Fund	<u>275,863</u>	<u>248,675</u>
	<u>\$1,493,154</u>	<u>\$1,053,901</u>

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 10 – ENDOWMENTS - CONTINUED

Total Operating and Program Endowments

The Law Center's endowments are summarized as follows:

	<u>2025</u>	<u>2024</u>
Operating Endowments:		
In addition to the permanent endowment restricted by donors, the board has also designated and added other funds including the amounts from the Capital Campaign that were not specifically restricted by donors, to an endowment also to be used for operating support including the increase in staff capacity		
Permanent Endowment		
Robert Wolf Fund	\$ 121,195	\$ 112,187
Berkman Family Fund	331,425	0
Capital Campaign Permanent Endowment	<u>586,028</u>	<u>528,507</u>
	<u>\$1,038,648</u>	<u>\$ 640,694</u>
Board Designated Funds	<u>\$1,555,794</u>	<u>\$1,440,473</u>
Program Endowments:		
Disabilities Rights Programs		
Thomas L. Gilhool Disabilities Rights Center Fund	<u>\$ 75,143</u>	<u>\$ 70,259</u>
Racial Justice Programs:		
Capital Campaign – Barbara Macholz Grimaldi		
Racial Justice Fund	\$ 103,500	\$ 94,273
Board Designated Funds	<u>16,294</u>	<u>15,075</u>
	<u>\$ 119,794</u>	<u>\$ 109,348</u>
Clarke Scholars Fund	<u>\$ 275,863</u>	<u>\$ 248,675</u>
	<u>\$3,065,242</u>	<u>\$2,509,449</u>

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2025 and 2024

NOTE 10 – ENDOWMENTS - CONTINUED

Total Operating and Program Endowments – Continued

Endowment assets and investments are held as follows:

	<u>Investments</u>	<u>Pledges Receivable</u>	<u>Total</u>
<u>2025</u>			
Permanently restricted operating endowment			
Robert Wolf Fund	\$121,195	0	\$121,195
Berkman Family Fund	331,425	0	331,425
Capital Campaign Funds	586,028	0	586,028
Disability Rights Programs			
Thomas L. Gilhool Disabilities Rights Center Fund	75,143	0	75,143
Social Justice Programs			
Capital Campaign – Barbara Macholz Grimaldi Racial Justice Fund	103,500	0	103,500
Clarke Scholars Fund	275,863	0	275,863
Board Designated Endowment			
Capital Campaign	1,545,794	\$ 10,000	1,555,794
Capital Campaign – Barbara Macholz Grimaldi Racial Justice Fund	16,294	0	16,294
Total Endowment Assets	<u>\$3,055,242</u>	<u>\$ 10,000</u>	<u>\$3,065,242</u>
Operating and other funds	301,901		
Total investment	<u>\$3,357,143</u>		
<u>2024</u>			
Permanently restricted operating endowment			
Robert Wolf Fund	\$112,187	0	\$112,187
Capital Campaign Funds	525,507	3,000	528,507
Disability Rights Programs			
Thomas L. Gilhool Disabilities Rights Center Fund	70,259	0	70,259
Social Justice Programs			
Capital Campaign – Barbara Macholz Grimaldi Racial Justice Fund	94,273	0	94,273
Clarke Scholars Fund	248,675	0	248,675
Board Designated Endowment			
Capital Campaign	1,422,870	17,603	1,440,473
Capital Campaign – Barbara Macholz Grimaldi Racial Justice Fund	15,075	0	15,075
Total Endowment Assets	<u>\$2,488,846</u>	<u>\$ 20,603</u>	<u>\$2,509,449</u>
Operating and other funds	338,114		
Total investment	<u>\$2,826,960</u>		

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2025 and 2024

NOTE 11 - COMMITMENTS FOR LEASED FACILITIES AND EQUIPMENT

Rent Expense

The Organization entered into a lease for office space effective November 1, 2019 for a term extending through January 31, 2026. The lease currently calls for minimum monthly payments of \$14,434 during the year ended October 31, 2025, with annual increases of 2.5% through the end of the lease, plus certain overhead expenses. The total rent expense was approximately \$162,200 and \$166,600 for the years ended December 31, 2025 and 2024.

Operating Leases

The Organization recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Organization is a lessee in several noncancellable operating leases, for office space and other office equipment. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease asset and liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses its incremental borrowing rate. The implicit rates of our leases are not readily determinable and accordingly, we use the 7 year Daily Treasury Par Yield Curve Rate, at the commencement date for all leases. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) and repaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization 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 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain the exercise. We recognize lease cost associated with our short-term leases on a straight-line basis over the lease term.

Total payments for all operating leases for the years ended December 31, 2025 and 2024 was approximately \$188,000 and \$186,000.

On July 30, 2025, the Organization entered into a lease for new office space effective January 21, 2026 for a term extending through July 31, 2034.

Future minimum payments for all operating leases in service as of December 31, 2025 and 2024 are detailed as follows:

Years Ended December 31,	<u>2025</u>	<u>2024</u>
2025	0	\$ 190,674
2026	\$ 24,516	25,955
2027	9,720	0
2028	9,720	0
2029	9,720	0
2030	6,480	0
and none thereafter		
	<u>\$ 60,156</u>	<u>\$ 216,629</u>
Right-of-Use Liability		
Office lease	\$ 14,796	\$ 187,193
Equipment leases	41,620	25,841
	<u>\$ 56,416</u>	<u>\$ 213,034</u>
Right-of-Use Asset		
Future minimum payments	\$ 60,156	\$ 216,629
Less: Present Value Discount	(5,419)	(19,747)
	<u>\$ 54,737</u>	<u>\$ 196,882</u>

THE PUBLIC INTEREST LAW CENTER

NOTES TO FINANCIAL STATEMENTS December 31, 2025 and 2024

NOTE 12 - CONCENTRATION RISK

Cash

The Organization maintains its bank accounts in financial institutions with insurance provided by the FDIC up to \$250,000. Uninsured balances were approximately \$723,000 as of December 31, 2025. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on uninsured cash.

Revenue

For the year ended December 31, 2025, revenue from one source was in excess of 10% of the organization's revenue. Grants from one foundation were approximately \$349,400 or 10% of total revenue.

For the year ended December 31, 2024, revenue from one source was in excess of 10% of the organization's revenue. In-kind legal services from one firm was valued at approximately \$586,000 or 17% of total revenue.

NOTE 13 - FUNCTIONAL CLASSIFICATION OF EXPENSES

Program and support services were as follows for the year ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Program expenses - Law Center – In-Kind	\$ 269,456	\$1,072,468
Program expenses - Law Center – Other	<u>1,596,343</u>	<u>1,437,475</u>
	\$1,865,799	\$2,509,943
Management and general	340,649	367,926
Fundraising	<u>471,133</u>	<u>389,748</u>
	<u>\$2,677,581</u>	<u>\$3,267,617</u>

Of the \$260,614 reported as in-kind professional services in the 2025 statement of activities, \$252,020 is recorded above as in-kind program services, and \$8,594 is included in management and general.

In addition in 2025, case cost expenses of \$17,436 were reported as in-kind program expenses.

Of the \$1,083,038 reported as in-kind professional services in the 2024 statement of activities, \$1,072,468 is recorded above as in-kind program services, and \$10,570 is included in management and general.

NOTE 14 – RETIREMENT PLAN

401(k) Plan

The Organization sponsors The Public Interest Law Center 401(k) Plan. Under the Plan, qualified employees may elect to defer a portion of their compensation, up to Internal Revenue Service limits, and the Organization may match a certain portion of the employee contributions.

The Organization has elected to match 50% of employee contributions up to 6% of an employee's compensation, which resulted in matching contributions of approximately \$33,900 and \$26,100 for 2025 and 2024, respectively.

Participants should refer to Plan documents for specific details of the Plan.