

**CHICAGO LAWYERS' COMMITTEE FOR
CIVIL RIGHTS UNDER LAW, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2020 AND 2019

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
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WSDD

WSDD CPAs, Ltd.
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Chicago, Illinois

We have audited the accompanying financial statements of CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC., which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC. as of December 31, 2020 and 2019, 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.

WSDD CPAs, Ltd.

WSDD CPAs, Ltd.

Chicago, Illinois
October 18, 2021

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Statements of Financial Position
December 31, 2020 and 2019

	2020			2019		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 825,373	\$ 246,633	\$ 1,072,006	\$ 1,329,435	\$ 312,511	\$ 1,641,946
Investments	643,870		643,870			
Grants and other receivables	184,269	210,000	394,269	183,492	325,000	508,492
Prepaid expenses	23,519		23,519	35,915		35,915
Total Current Assets	<u>1,677,031</u>	<u>456,633</u>	<u>2,133,664</u>	<u>1,548,842</u>	<u>637,511</u>	<u>2,186,353</u>
Fixed Assets						
Equipment	90,572		90,572	89,513		89,513
Less: Accumulated depreciation	<u>(89,602)</u>		<u>(89,602)</u>	<u>(89,513)</u>		<u>(89,513)</u>
Total Fixed Assets, Net	<u>970</u>		<u>970</u>			
Other Assets						
Security deposits	<u>6,467</u>		<u>6,467</u>	<u>6,467</u>		<u>6,467</u>
TOTAL ASSETS	<u>\$ 1,684,468</u>	<u>\$ 456,633</u>	<u>\$ 2,141,101</u>	<u>\$ 1,555,309</u>	<u>\$ 637,511</u>	<u>\$ 2,192,820</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	\$ 42,267	\$	\$ 42,267	\$ 41,680	\$	\$ 41,680
Accrued expenses	51,024		51,024	39,900		39,900
Lease obligations payable	46,233		46,233	42,338		42,338
Fiscal sponsorship				192,970		192,970
Total Liabilities	<u>139,524</u>		<u>139,524</u>	<u>316,888</u>		<u>316,888</u>
Net Assets	<u>1,544,944</u>	<u>456,633</u>	<u>2,001,577</u>	<u>1,238,421</u>	<u>637,511</u>	<u>1,875,932</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,684,468</u>	<u>\$ 456,633</u>	<u>\$ 2,141,101</u>	<u>\$ 1,555,309</u>	<u>\$ 637,511</u>	<u>\$ 2,192,820</u>

See independent auditors' report and notes to financial statements.

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Statements of Activities
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Government grants	\$ 562,609	\$	\$ 562,609	\$ 334,816	\$	\$ 334,816
Contributions:						
Foundations and corporate	602,519	346,185	948,704	727,198	637,008	1,364,206
Individuals	70,592	35,000	105,592	31,480	449	31,929
Law firm memberships	309,025		309,025	317,750		317,750
Special events including annual meeting:						
Proceeds (annual benefit \$234,580 in 2020 and \$498,079 in 2019)	329,576		329,576	610,494		610,494
Direct expenses (annual benefit \$45,729 in 2020 and \$117,129 in 2019)	(48,353)		(48,353)	(118,740)		(118,740)
Attorney fees	2,928		2,928	787,122		787,122
Contractual services	27,000		27,000	28,500		28,500
Application fees	12,755		12,755	22,760		22,760
Workshops	232		232	7,257		7,257
Net investment return	23,988		23,988	8,559		8,559
Miscellaneous	41,170		41,170	41,169		41,169
	1,934,041	381,185	2,315,226	2,798,365	637,457	3,435,822
NET ASSETS RELEASED FROM RESTRICTIONS	562,063	(562,063)		232,469	(232,469)	
TOTAL SUPPORT AND REVENUE	2,496,104	(180,878)	2,315,226	3,030,834	404,988	3,435,822
EXPENSES						
Program services	1,633,307		1,633,307	1,380,412		1,380,412
Supporting services	556,274		556,274	667,500		667,500
Total Expenses	2,189,581		2,189,581	2,047,912		2,047,912
CHANGE IN NET ASSETS	306,523	(180,878)	125,645	982,922	404,988	1,387,910
NET ASSETS - BEGINNING OF YEAR	1,238,421	637,511	1,875,932	255,499	232,523	488,022
NET ASSETS - END OF YEAR	\$ 1,544,944	\$ 456,633	\$ 2,001,577	\$ 1,238,421	\$ 637,511	\$ 1,875,932

See independent auditors' report and notes to financial statements.

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 125,645	\$ 1,387,910
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Unrealized gain on investments	(13,333)	
Depreciation	89	1,389
Increase (decrease) in cash due to change in:		
Grants and other receivables	114,223	(313,748)
Prepaid expenses	12,396	452
Accounts payable	587	(16,166)
Accrued expenses	11,124	19,404
Lease obligations payable	3,895	6,740
Fiscal sponsorships	(192,970)	67,869
Proceeds from paycheck protection program loan	272,623	
(Use) of paycheck protection program loan	<u>(272,623)</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>61,656</u>	<u>1,153,850</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,190,537)	
Proceeds from sale of investments	560,000	
Purchase of equipment	<u>(1,059)</u>	
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(631,596)</u>	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(569,940)	1,153,850
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,641,946</u>	<u>488,096</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,072,006</u>	<u>\$ 1,641,946</u>

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2020

	PROGRAM SERVICES							SUPPORTING SERVICES			TOTAL 2020
	TRANSACTIONAL LEGAL ASSISTANCE	EQUITABLE COMM. DEV. AND HOUSING	SETTLEMENT ASSISTANCE PROGRAM	VOTING RIGHTS & CIVIC EMPOWERMENT	EDUCATION EQUITY	OTHER PROGRAMS	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL SUPPORTING SERVICES	
Salaries	\$ 205,002	\$ 372,852	\$ 77,994	\$ 214,143	\$ 191,923	\$ 79,715	\$ 1,141,629	\$ 204,116	\$ 179,078	\$ 383,194	\$ 1,524,823
Payroll taxes	14,765	26,453	6,190	14,849	14,341	5,572	82,170	12,311	10,421	22,732	104,902
Employee benefits	12,981	24,044	5,432	13,168	12,104	5,087	72,816	11,124	9,890	21,014	93,830
	<u>232,748</u>	<u>423,349</u>	<u>89,616</u>	<u>242,160</u>	<u>218,368</u>	<u>90,374</u>	<u>1,296,615</u>	<u>227,551</u>	<u>199,389</u>	<u>426,940</u>	<u>1,723,555</u>
Rent	28,225	43,393	11,904	27,073	31,681	9,600	151,876	16,248	15,744	31,992	183,868
Insurance	3,206	4,998	1,351	3,089	3,558	1,100	17,302	2,850	1,832	4,682	21,984
Information resources	1,439	6,597	1,633	2,363	2,472	530	15,034	2,311	2,183	4,494	19,528
Meetings and travel	569	3,062	198	602	1,008	167	5,606	559	262	821	6,427
Contracted and student services	6,688	23,492	2,897	26,119	20,010	3,874	83,080	31,375	12,183	43,558	126,638
Professional fees	2,551	3,922	1,076	9,555	2,863	868	20,835	5,174	1,423	6,597	27,432
Telecommunications	1,530	2,353	645	1,468	1,718	521	8,235	1,322	854	2,176	10,411
Supplies	2,605	6,579	542	2,525	1,621	569	14,441	1,929	4,440	6,369	20,810
Printing and duplicating	515	792	217	494	578	175	2,771	607	287	894	3,665
Equipment rental and maintenance	882	1,356	372	846	990	300	4,746	762	492	1,254	6,000
Recruitment and advertising		170		7,127	170	260	7,727	75	370	445	8,172
Staff development	335	340	59	255	1,364	48	2,401	138	2,090	2,228	4,629
Depreciation								89		89	89
Litigation		2,109		130	87		2,326	73		73	2,399
Miscellaneous	55			257			312	23,662		23,662	23,974
Total Expenses	<u>\$ 281,348</u>	<u>\$ 522,512</u>	<u>\$ 110,510</u>	<u>\$ 324,063</u>	<u>\$ 286,488</u>	<u>\$ 108,386</u>	<u>\$ 1,633,307</u>	<u>\$ 314,725</u>	<u>\$ 241,549</u>	<u>\$ 556,274</u>	<u>\$ 2,189,581</u>

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	PROGRAM SERVICES							SUPPORTING SERVICES				TOTAL 2019
	TRANSACTIONAL LEGAL ASSISTANCE	EQUITABLE COMM. DEV. AND HOUSING	SETTLEMENT ASSISTANCE PROGRAM	VOTING RIGHTS & CIVIC EMPOWERMENT	EDUCATION EQUITY	OTHER PROGRAMS	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL SUPPORTING SERVICES		
Salaries	\$ 289,403	\$ 217,596	\$ 62,324	\$ 166,379	\$ 131,483	\$ 35,938	\$ 903,123	\$ 257,405	\$ 170,852	\$ 428,257	\$ 1,331,380	
Payroll taxes	23,580	17,082	4,881	13,071	10,460	3,692	72,766	20,271	12,837	33,108	105,874	
Employee benefits	18,714	6,060	422	11,932	7,404	1,201	45,733	13,177	4,536	17,713	63,446	
	<u>331,697</u>	<u>240,738</u>	<u>67,627</u>	<u>191,382</u>	<u>149,347</u>	<u>40,831</u>	<u>1,021,622</u>	<u>290,853</u>	<u>188,225</u>	<u>479,078</u>	<u>1,500,700</u>	
Rent	45,417	29,140	12,377	24,861	22,810	5,681	140,286	33,784	21,081	54,865	195,151	
Insurance	5,148	3,745	1,230	2,974	2,829	913	16,839	3,092	2,263	5,355	22,194	
Information resources	2,095	2,259	1,924	2,330	1,595	94	10,297	1,050	4,011	5,061	15,358	
Meetings and travel	5,006	4,629	845	3,295	6,168	987	20,930	4,172	1,753	5,925	26,855	
Contracted and student services	11,716	16,697	1,098	59,414	5,323	10,100	104,348	4,677	67,990	72,667	177,015	
Professional fees	2,447	1,911	687	1,596	1,366	267	8,274	22,270	1,442	23,712	31,986	
Telecommunications	1,460	954	348	882	880	218	4,742	1,214	633	1,847	6,589	
Supplies	2,951	1,891	736	1,712	1,736	2,479	11,505	1,766	1,857	3,623	15,128	
Printing and duplicating	1,092	718	215	563	511	192	3,291	823	1,250	2,073	5,364	
Equipment rental and maintenance	1,303	956	307	774	722	154	4,216	1,050	629	1,679	5,895	
Recruitment and advertising	34	442	6	18	189	345	1,034	30	381	411	1,445	
Staff development	3,012	168	19	1,350	49	559	5,157	1,622	25	1,647	6,804	
Depreciation	355	335	50	58	230	15	1,043	228	118	346	1,389	
Litigation	379	23,834				1,806	26,019				26,019	
Miscellaneous	1,033	(86)	(20)	(59)	(50)	(9)	809	9,261	(50)	9,211	10,020	
Total Expenses	<u>\$ 415,145</u>	<u>\$ 328,331</u>	<u>\$ 87,449</u>	<u>\$ 291,150</u>	<u>\$ 193,705</u>	<u>\$ 64,632</u>	<u>\$ 1,380,412</u>	<u>\$ 375,892</u>	<u>\$ 291,608</u>	<u>\$ 667,500</u>	<u>\$ 2,047,912</u>	

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Notes to Financial Statements
December 31, 2020 and 2019

NOTE 1 - NATURE OF ACTIVITIES

Chicago Lawyers' Committee for Civil Rights Under Law, Inc. ("Committee") was founded in 1969 and incorporated as a nonprofit organization in 1976. The organization advances racial equity and economic opportunity for all through partnerships with the private bar and community-based organizations located in or serving Black and brown communities in the Chicago region.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Committee have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Under generally accepted accounting principles, the Committee 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. The net assets of the Committee are reported in two self-balancing groups as follows:

- Net Assets without Donor Restrictions: Net assets without donor restrictions are for use at the discretion of management for general operating purposes.
- Net Assets with Donor Restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor imposed time and/or purpose restrictions. The Committee reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Committee to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. The Committee has no net assets required to be maintained permanently.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Committee considers all highly liquid investments with an initial maturity date of three months or less to be cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants and Other Receivables

Grants and other receivables represent amounts committed by donors that have not been received by the Committee, or amounts due for services rendered and not yet collected. The Committee is on the direct write-off method for bad debt recognition.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income and realized and unrealized capital gains and losses.

Fixed Assets

Furniture and equipment additions in excess of \$1,000 are capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment are depreciated using the straight-line method over the useful lives of the assets as follows:

Computer hardware and software	3 Years
Furniture and other equipment	5 Years

Revenue and Revenue Recognition

Contributions, including grants, received or pledged, are recorded as unrestricted unless specifically restricted by the donor. All donor-restricted contributions are reported as an increase in net assets with donor restrictions, and are transferred to net assets without donor restrictions, as the restrictions are met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received. Membership revenue is derived from member law firms who provide financial support to the Committee. In exchange, these firms are given priority referrals in pro bono matters and board service. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue is recognized equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. Attorney fees and contractual services include revenue earned in exchange for services provided by the Committee. All goods and services are transferred at a point in time.

Contributed Services

The Committee receives a substantial amount of donated services from citizens interested in its programs, which generally involves the contribution of time and pro bono legal services. Cost constraints require that if the services are not provided without charge, the Committee would not have the financial ability to accept the legal cases and therefore the service would not be offered. Accordingly, such services are not valued and recorded in the financial statement as in-kind services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expense Allocation

The Committee charges direct program expenses to each individual program. Certain indirect general and administrative expenses are allocated to program services on the basis determined by management.

Use of Estimates

The preparation of the 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, 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.

Income Taxes

The Committee is exempt from federal income taxes under Section 501c(3) of the Internal Revenue Code. Thus, no provision for income taxes has been provided in the financial statements.

Accounting standards provide guidance for how certain tax positions should be recognized, measured and disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Committee's information returns to determine whether the tax position are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit and asset or expense and liability in the current year. The Committee files information returns in the U.S. federal and state jurisdictions. The Committee is no longer subject to U.S. federal and state examinations by tax authorities for years before 2017. As of and for the year ended December 31, 2020, management has determined that there are no uncertain tax positions.

Recently Adopted Authoritative Guidance

Effective January 1, 2020, the Committee adopted ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance requires that the Committee recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Committee expects to be entitled in exchange for those goods or services. The guidance uses a principles-based approach for determining revenue recognition, eliminates the transaction and industry specific guidance, and establishes a five step approach for the recognition of revenue. As disclosed in Note 11, the Organization implemented this standard during the year ended December 31, 2020 using the modified retrospective method.

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

This category includes contributions received with donor imposed stipulations that can be fulfilled by the Committee pursuant to those stipulations or that expire by the passage of time. Net assets with donor restrictions at December 31, 2020 and 2019 are available for the following purposes:

	<u>2020</u>	<u>2019</u>
General Operations	\$ 320,000	\$ 250,000
Transactional Legal Assistance		73,752
Voting Rights & Civic Empowerment	114,910	78,816
Education Equity	21,275	131,944
Equitable Community Development and Housing		102,500
Other Programs	448	499
	<u>\$ 456,633</u>	<u>\$ 637,511</u>

NOTE 4 - DESCRIPTION OF PROGRAMS

Transactional Legal Assistance

We provide transactional legal assistance that helps to create, build, and support nonprofit organizations focused on economic development and social services in historically disinvested communities of color. We also offer a wide range of information, technical assistance and legal services to help entrepreneurs/small businesses operating in historically disinvested communities of color.

Equitable Community Development and Housing

We work with grassroots organizations and coalitions in communities most affected by poverty, racial disparities, gentrification, and displacement. Our involvement helps communities that have been historically marginalized find innovative ways to secure investments in, and commitments to, affordable housing, local hiring, and environmental justice. We also provide legal advice and support to groups establishing community zoning boards, community land trusts, and using other approaches to ensure that the development in their communities is responsive to community needs and desires. Our housing group works to promote access to fair, safe, and affordable housing opportunities.

Settlement Assistance Program

In collaboration with the federal court, this program provides meaningful access to justice to indigent litigants with civil rights claims, including prisoners and victims of employment discrimination. Chicago Lawyers' Committee recruits, trains, and supports pro bono counsel to assist these pro se litigants settle their cases without going to trial, providing swift resolution and an opportunity for closure.

Voting Rights and Civic Empowerment

Our Voting Rights and Civic Empowerment work is designed to ensure equitable access for all citizens—especially those who have been historically disenfranchised or under-represented—in the election process and civic decision making.

NOTE 4 - DESCRIPTION OF PROGRAMS (Continued)

Education Equity

Our Education Equity team protects and promotes access to education by addressing the individual and systemic barriers that disproportionately impact historically disadvantaged communities of color. Our methods include empowering and building partnerships with students and community groups, advocating for systemic reforms, and providing direct legal services to students at risk of losing access to education due to racial discrimination, harsh discipline, re-enrollment barriers, or involvement in the criminal justice system.

NOTE 5 - CONCENTRATION OF RISK

The Committee at certain times concentrates its risk for cash by maintaining deposits at financial institutions that exceed the federally insured limits. The Committee is of the opinion that deposits are maintained in financially sound institutions, and it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 6 - GRANTS AND OTHER RECEIVABLES

Grants and other receivables consisted of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Grants receivable	\$ 71,945	\$ 40,149
Pledges and other receivables	<u>322,324</u>	<u>468,343</u>
	<u>\$ 394,269</u>	<u>\$ 508,492</u>

NOTE 7 - FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Committee complies with the provisions of Accounting Standards Codification 820 ("ASC 820"), "Fair Value Measurements and Disclosures". Under ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

The Committee's significant financial instruments are investments. The carrying values of these financial instruments recorded in the accompanying statement of financial position approximate fair value.

ASC 820 establishes a tri-level fair value hierarchy that describes the inputs that are used to measure the fair values of respective assets and liabilities as follows:

- Level 1 Fair value is derived from accessible unadjusted quoted prices in active markets for identical assets or liabilities. Investments comprised of certificates of deposit, stock and bond mutual funds, have been valued using level 1 inputs.

NOTE 7 - FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

Level 2 Fair value is derived from observable inputs that include: quoted market prices for similar assets or liabilities in active markets or inactive markets; inputs other than quoted prices that are observable in the market and can be corroborated by observable market data for substantially the full term of the asset or liability's life. The Committee does not currently hold any Level 2 assets or liabilities, which are required to be disclosed in accordance with ASC 820.

Level 3 Fair value is derived from unobservable inputs, calculated by the use of pricing models and/or discounted cash flow methodologies and, may require significant management judgment or estimation. The Committee does not currently hold any Level 3 assets or liabilities, which are required to be disclosed in accordance with ASC 820.

The fair value inputs can vary between securities as they are affected by a wide variety of factors, including, the security type, market liquidity, etc. To the extent, valuation is based upon models or inputs that are less observable or unobservable, the determination of fair value requires more judgment.

The following tables sets forth the Committee's investments measured at fair value on a recurring basis and the basis of measurement at December 31, 2020:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ 150,112	\$ 150,112	\$	\$
Stock mutual funds	185,293	185,293		
Bond mutual funds	308,465	308,465		
	<u>\$ 643,870</u>	<u>\$ 643,870</u>	<u>\$ 0</u>	<u>\$ 0</u>

NOTE 8 - INVESTMENTS

The historical cost and market value of investments, all of which are held at one financial institution, were as follows at December 31, 2020:

	<u>Cost</u>	<u>Market Value</u>
Certificates of deposit	\$ 150,000	\$ 150,112
Stock mutual funds	168,119	185,293
Bond mutual funds	312,917	308,465
	<u>\$ 631,036</u>	<u>\$ 643,870</u>

The Committee had no investments at December 31, 2019.

Net investment return includes the following for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 10,655	\$ 8,559
Realized and unrealized gains	13,333	
	<u>\$ 23,988</u>	<u>\$ 8,559</u>

NOTE 9 - LEASE COMMITMENTS

During 2014, the Committee entered into a lease for its Chicago office space commencing January 2015. The lease requires base monthly rental payments ranging from \$13,451 to \$16,037 over the lease term, and expires on August 31, 2025. In addition to the monthly lease payments, the Committee is also liable for their proportionate share of operating expenses as defined in the lease.

The lease provides for seven months of rent abatement throughout the term, as well as scheduled rent increases, all of which are required to be recognized ratably in accordance with generally accepted accounting principles. Accordingly, the amount of rent expense does not coincide with cash payments. This gives rise to a deferred lease benefit liability which is being amortized over the term of the lease. The deferred lease benefit liability at December 31, 2020 and 2019 amounted to \$46,233 and \$42,338, respectively.

The future minimum base rental payments for the years ending December 31, are as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2021	\$ 165,029
2022	167,874
2023	170,720
2024	189,344
2025	128,299
	<u>\$ 821,266</u>

Total rent expense for the years ended December 31, 2020 and 2019 amounted to \$183,868 and \$195,151, respectively.

NOTE 10 - RETIREMENT PLAN

The Committee provides retirement benefits for eligible employees under a 403(b) tax deferred annuity plan. Under the plan the Committee may match employee contributions up to 3%. Committee contributions for the year ended December 31, 2020 amounted to \$23,676. No retirement benefits were contributed by the Committee during 2019.

NOTE 11 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Effective January 1, 2020, the Committee adopted Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires that the Committee recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Committee expects to be entitled in exchange for those goods and services. The guidance uses a principle-based approach for determining revenue recognition, eliminates the transaction and industry specific guidance, and establishes a five step approach for the recognition of revenue.

NOTE 11 - REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

The Committee has adopted this guidance using the modified retrospective approach, which applies to contracts that have remaining obligations as of January 1, 2020 and new contracts entered into subsequent to January 1, 2020. Under the modified retrospective method, the cumulative effect of the application of Topic 606 is shown as an adjustment to beginning net assets as of the date of application. There was no significant effect on any financial statement line items as a result of applying Topic 606.

Revenue disaggregation

Revenue from contracts with customers disaggregated by category for the years ended December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Revenue recognized over time:		
Law firm memberships	\$ 309,025	\$ 317,750
Revenue recognized at a point in time:		
Special events	\$ 281,223	\$ 491,754
Attorney fees	2,928	787,122
Contractual services	27,000	28,500
Application fees	12,755	22,760
Workshops	232	7,257
Miscellaneous	41,170	41,169

Contract balances

The timing of revenue recognition, billings and cash collections results in contract assets, receivables and contract liabilities. Contract assets would exist when the Committee has a contract with a customer for which revenue has been recognized but customer payment is contingent on a future event. Committee revenue is based on delivered goods and services and is generally limited to amounts that are not contingent on future events, therefore, not resulting in a contract asset being recorded.

Accounts receivable related to revenue from contracts with customers amounted to \$59,500 at December 31, 2020. There were no contract assets or contract liabilities related to revenue from contracts with customers at December 31, 2020 and 2019.

NOTE 12 - COVID-19

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant changes in value resulting from uncertainty caused by the pandemic. The Committee is closely monitoring its operations, including cancellation of major program events, and its liquidity, and is actively working to minimize the impact of these changes. The extent of the impact of COVID-19 on the Committee's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, cannot be determined. Accordingly, the extent to which COVID-19 may impact Committee's financial position, change in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTE 12 - COVID-19 (Continued)

In April 2020, the Committee received a \$272,623 loan, under the Paycheck Protection Program (“PPP 1 loan”), implemented by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act. The Committee applied for PPP 1 loan forgiveness with respect to these qualified expenses and in January 2021, received a Notice of Paycheck Protection Program Forgiveness Payment from the SBA for 100% of the PPP 1 loan. In accordance with FASB Accounting Standards Codification 958-605, *Not-for-Profit Entities - Revenue Recognition*, the Organization determined that conditions of release had been substantially met for the year ended December 31, 2020, amounting to \$272,623, which is included in grant revenue in the accompanying statement of activities and changes in net assets.

In January 2021, the Committee received a second PPP loan (“PPP 2 loan”) of \$278,631. The Committee is eligible for loan forgiveness of up to 100% of the PPP 2 loan, upon meeting certain SBA requirements including using the PPP 2 loan proceeds to pay qualified expenses such as payroll costs and maintaining specified levels of payroll and employment. To the extent that all or part of the PPP 2 loan is not forgiven, the Committee will be required to pay interest on the PPP 2 loan at a rate of 1.0% per annum and commence principal and interest payments through the maturity date of January 1, 2026. The PPP 2 loan is uncollateralized and is fully guaranteed by the SBA.

NOTE 13 - LIQUIDITY AND AVAILABILITY OF RESOURCES

At December 31, 2020 and 2019, the Committee had a working capital surplus of \$1,994,140 and \$1,869,465, respectively.

The Committee’s financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 1,072,006	\$ 1,641,946
Investments	643,870	
Grants and other receivables	<u>394,269</u>	<u>508,492</u>
	2,110,145	2,150,438
Less:		
Amounts restricted by donors	(456,633)	(637,511)
Fiscal sponsorship	<u> </u>	<u>(192,970)</u>
Total Financial Assets Available to Management for General Expenditure Within One year	<u>\$ 1,653,512</u>	<u>\$ 1,319,957</u>

The Committee maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and obligations become due.

NOTE 14 - NEW ACCOUNTING STANDARDS UPDATE

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Committee's year ending December 31, 2022, with early application permitted.

Management is evaluating the effects of this pronouncement on its financial statements.

NOTE 15 - SUBSEQUENT EVENTS

As discussed in Note 12, in January 2021, the Committee received a second PPP loan of \$278,631.

Subsequent events were evaluated through October 18, 2021, the date the financial statements were available to be issued.

WSDD

WSDD CPAs, Ltd.
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Chicago, Illinois

We have audited the financial statements of CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC. as of and for the years ended December 31, 2020 and 2019, and our report thereon dated October 18, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1 - 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of unrestricted support and revenue on pages 19 - 20, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information 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, 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, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

WSDD CPAs, Ltd.

WSDD CPAs, Ltd.

Chicago, Illinois
October 18, 2021

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Schedule of Unrestricted Support and Revenue
For the Year Ended December 31, 2020

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL 2020
	TRANSACTIONAL LEGAL ASSISTANCE	EQUITABLE COMM. DEV. AND HOUSING	SETTLEMENT ASSISTANCE PROGRAM	VOTING RIGHTS & CIVIC EMPOWERMENT	EDUCATION EQUITY	OTHER PROGRAMS			
SUPPORT AND REVENUE									
Government grants	\$ 35,931	\$ 254,056	\$	\$	\$	\$	\$ 289,987	\$ 272,622	\$ 562,609
Contributions:									
Foundations and corporate	92,250	75,000	15,000	311,674	250,328		744,252	420,280	1,164,532
Individuals				672	814	4,091	5,577	65,065	70,642
Law firm memberships								309,025	309,025
Special events including annual meeting:									
Proceeds	70,669						70,669	258,907	329,576
Direct expenses								(48,353)	(48,353)
Attorney fees		2,928					2,928		2,928
Contractual services			25,000		2,000		27,000		27,000
Application fees	12,755						12,755		12,755
Workshops	232						232		232
Net investment return								23,988	23,988
Miscellaneous								41,170	41,170
TOTAL SUPPORT AND REVENUE	\$ 211,837	\$ 331,984	\$ 40,000	\$ 312,346	\$ 253,142	\$ 4,091	\$ 1,153,400	\$ 1,342,704	\$ 2,496,104

CHICAGO LAWYERS' COMMITTEE FOR CIVIL RIGHTS UNDER LAW, INC.
Schedule of Unrestricted Support and Revenue
For the Year Ended December 31, 2019

	PROGRAM SERVICES						TOTAL PROGRAM SERVICES	SUPPORTING SERVICES	TOTAL 2019
	TRANSACTIONAL LEGAL ASSISTANCE	EQUITABLE COMM. DEV. AND HOUSING	SETTLEMENT ASSISTANCE PROGRAM	VOTING RIGHTS & CIVIC EMPOWERMENT	EDUCATION EQUITY	OTHER PROGRAMS			
SUPPORT AND REVENUE									
Government grants	\$ 34,816	\$ 300,000	\$	\$	\$	\$	\$ 334,816	\$	\$ 334,816
Contributions:									
Foundations and corporate	242,442		15,000	312,342	85,708	2,000	657,492	299,613	957,105
Individuals		288			50	2,632	2,970	31,077	34,047
Law firm memberships								317,750	317,750
Special events including annual meeting:									
Proceeds	111,715						111,715	498,779	610,494
Direct expenses								(118,740)	(118,740)
Attorney fees		28,000			60,000	699,122	787,122		787,122
Contractual services			25,000		3,500		28,500		28,500
Application fees	22,760						22,760		22,760
Workshops	7,257						7,257		7,257
Net investment return								8,559	8,559
Miscellaneous								41,164	41,164
TOTAL SUPPORT AND REVENUE	\$ 418,990	\$ 328,288	\$ 40,000	\$ 312,342	\$ 149,258	\$ 703,754	\$ 1,952,632	\$ 1,078,202	\$ 3,030,834