

LAWYERS ALLIANCE FOR NEW YORK

**Financial Statements
for years ended
June 30, 2025
and
June 30, 2024**



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Independent Auditor's Report

To the Board of Directors of
Lawyers Alliance for New York

Opinion

We have audited the accompanying financial statements of Lawyers Alliance for New York ("Lawyers Alliance"), which comprise the statement of financial position as of June 30, 2025 and June 30, 2024 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawyers Alliance as of June 30, 2025 and June 30, 2024 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lawyers Alliance'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 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 Lawyers Alliance'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 Lawyers Alliance'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.

Condon & McHenry + Donnelly LLP

LAWYERS ALLIANCE FOR NEW YORK

Statement of Financial Position

	Assets	
	June 30	
	<u>2025</u>	<u>2024</u>
Current assets		
Cash and money market funds	\$ 3,116,568	\$ 2,744,640
Investments, at fair value	5,983,960	5,521,379
Accounts receivable	45,220	36,375
Grants and contributions receivable, net	470,361	612,750
Prepaid expenses and publication inventory	<u>57,901</u>	<u>48,556</u>
Total current assets	9,674,010	8,963,700
Grants and contributions receivable, net of current portion	6,000	56,000
Cash and money market funds restricted for special projects	6,147	6,147
Certificate of deposit restricted for lease	64,800	64,800
Property and equipment, at cost, net	115,565	144,753
Right-of-use asset – operating lease, net	<u>1,747,192</u>	<u>2,225,212</u>
Total assets	<u>\$ 11,613,714</u>	<u>\$ 11,460,612</u>
	Liabilities and Net Assets	
Current liabilities		
Accounts payable	\$ 81,350	\$ 19,903
Accrued expenses	269,728	183,216
Current portion of operating lease payable	<u>489,970</u>	<u>478,020</u>
Total current liabilities	841,048	681,139
Term endowment	1,000,000	1,000,000
Operating lease payable, net	1,257,222	1,747,192
Special projects liability	<u>6,147</u>	<u>6,147</u>
Total liabilities	<u>3,104,417</u>	<u>3,434,478</u>
Net assets		
Without donor restrictions		
Operating fund	4,512,296	3,661,033
Board-designated	<u>1,500,000</u>	<u>1,500,000</u>
Total net assets without donor restrictions	6,012,296	5,161,033
With donor restrictions	<u>2,497,001</u>	<u>2,865,101</u>
Total net assets	<u>8,509,297</u>	<u>8,026,134</u>
Total liabilities and net assets	<u>\$ 11,613,714</u>	<u>\$ 11,460,612</u>

See notes to financial statements.

LAWYERS ALLIANCE FOR NEW YORK

Statement of Activities
For Years Ended June 30, 2025
and June 30, 2024

	2025			2024		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenues						
Public support						
Contributions (individual, law firms, corporations, fellowship)	\$1,396,287	\$ 18,400	\$1,414,687	\$ 1,302,121	\$ 30,750	\$ 1,332,871
50 th Anniversary	-	-	-	7,300	10,000	17,300
Grants	300,111	870,000	1,170,111	441,850	737,500	1,179,350
Special events, net of expenses of \$172,390 in 2025 and \$141,878 in 2024	498,696	15,000	513,696	423,770	15,000	438,770
Contributed non-financial assets	481,100	-	481,100	211,900	-	211,900
Net assets released from restrictions	<u>1,271,500</u>	<u>(1,271,500)</u>	<u>-</u>	<u>1,070,014</u>	<u>(1,070,014)</u>	<u>-</u>
Total public support	<u>3,947,694</u>	<u>(368,100)</u>	<u>3,579,594</u>	<u>3,456,955</u>	<u>(276,764)</u>	<u>3,180,191</u>
Revenues						
Contracts	86,624	-	86,624	107,700	-	107,700
Legal fees	131,870	-	131,870	158,183	-	158,183
Educational programs and other	96,555	-	96,555	96,328	-	96,328
Investment return, net-operating	<u>277,200</u>	<u>-</u>	<u>277,200</u>	<u>169,780</u>	<u>-</u>	<u>169,780</u>
Total revenues	<u>592,249</u>	<u>-</u>	<u>592,249</u>	<u>531,991</u>	<u>-</u>	<u>531,991</u>
Total public support and revenues	<u>4,539,943</u>	<u>(368,100)</u>	<u>4,171,843</u>	<u>3,988,946</u>	<u>(276,764)</u>	<u>3,712,182</u>
Expenses						
Program services	<u>2,744,600</u>	<u>-</u>	<u>2,744,600</u>	<u>2,995,598</u>	<u>-</u>	<u>2,995,598</u>
Supporting activities						
Management	762,163	-	762,163	486,707	-	486,707
Fundraising	<u>509,443</u>	<u>-</u>	<u>509,443</u>	<u>524,263</u>	<u>-</u>	<u>524,263</u>
Total expenses	<u>4,016,206</u>	<u>-</u>	<u>4,016,206</u>	<u>4,006,568</u>	<u>-</u>	<u>4,006,568</u>
Increase (decrease) in net assets before investment return, net – non-operating	523,737	(368,100)	155,637	(17,622)	(276,764)	(294,386)
Investment return, net-non-operating	<u>327,526</u>	<u>-</u>	<u>327,526</u>	<u>394,649</u>	<u>-</u>	<u>394,649</u>
Increase (decrease) in net assets	851,263	(368,100)	483,163	377,027	(276,764)	100,263
Net assets, beginning of year	<u>5,161,033</u>	<u>2,865,101</u>	<u>8,026,134</u>	<u>4,784,006</u>	<u>3,141,865</u>	<u>7,925,871</u>
Net assets, end of year	<u>\$6,012,296</u>	<u>\$2,497,001</u>	<u>\$8,509,297</u>	<u>\$5,161,033</u>	<u>\$ 2,865,101</u>	<u>\$ 8,026,134</u>

See notes to financial statements.

LAWYERS ALLIANCE FOR NEW YORK
Statement of Functional Expenses
For Years Ended June 30, 2025
and June 30, 2024

	<u>2025</u>				<u>2024</u>			
	<u>Program Services</u>	<u>Supporting Activities</u>		<u>Total</u>	<u>Program Services</u>	<u>Supporting Activities</u>		<u>Total</u>
		<u>Management</u>	<u>Fundraising</u>			<u>Management</u>	<u>Fundraising</u>	
Salaries	\$1,510,223	\$ 228,574	\$ 302,045	\$2,040,842	\$1,719,103	\$ 235,319	\$ 320,949	\$2,275,371
Employee benefits and payroll taxes	344,791	52,185	68,958	465,934	453,400	61,773	84,562	599,735
Total salaries and related expenses	1,855,014	280,759	371,003	2,506,776	2,172,503	297,092	405,511	2,875,106
Rent, utilities and facilities	396,282	59,978	79,256	535,516	393,978	53,677	73,480	521,135
Equipment, telephone, audiovisual, internet, and repairs	39,397	5,963	7,879	53,239	38,977	5,310	7,270	51,557
Professional, accounting and contract services	336,291	406,091	35,144	777,526	262,869	119,171	21,084	403,124
Community outreach and marketing	29,827	-	3,028	32,855	29,639	-	1,234	30,873
Seminars and staff development	19,322	-	-	19,322	8,168	-	-	8,168
Office and operating expenses	40,308	6,103	8,063	54,474	41,968	5,718	7,828	55,514
Depreciation and loss on disposal of assets	21,599	3,269	4,320	29,188	42,121	5,739	7,856	55,716
Education programs and miscellaneous	6,560	-	750	7,310	5,375	-	-	5,375
Special events	-	-	172,390	172,390	-	-	141,878	141,878
Total expenses by function	2,744,600	762,163	681,833	4,188,596	2,995,598	486,707	666,141	4,148,446
Less: direct expenses of special events net with revenue on the statement of activities	-	-	172,390	172,390	-	-	141,878	141,878
Total	<u>\$2,744,600</u>	<u>\$ 762,163</u>	<u>\$ 509,443</u>	<u>\$4,016,206</u>	<u>\$2,995,598</u>	<u>\$ 486,707</u>	<u>\$ 524,263</u>	<u>\$4,006,568</u>

See notes to financial statements.

LAWYERS ALLIANCE FOR NEW YORK

Statement of Cash Flows

	Year Ended	
	June 30	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Increase in net assets	\$ 483,163	\$ 100,263
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation and loss on disposal of assets	29,188	55,716
Net realized and unrealized (gain) on investments	(327,526)	(394,649)
Amortization of right-of-use asset – operating lease	478,020	466,361
(Increase) decrease in assets		
Accounts receivable	(8,845)	(11,735)
Grants and contributions receivable, net	192,389	146,700
Prepaid expenses and publication inventory	(9,345)	7,841
Increase (decrease) in liabilities		
Accounts payable	61,447	(12,815)
Accrued expenses	86,512	(78,863)
Special projects liability	-	(75,820)
Payments on operating lease obligation	<u>(478,020)</u>	<u>(466,361)</u>
Net cash provided by (used in) operating activities	<u>506,983</u>	<u>(263,362)</u>
Cash flows from investing activities		
Proceeds from the sale of investments	142,145	124,509
Purchases of investments	<u>(277,200)</u>	<u>(171,280)</u>
Net cash (used in) investing activities	<u>(135,055)</u>	<u>(46,771)</u>
Increase (decrease) in cash and money market funds	371,928	(310,133)
Cash and money market funds, beginning of year	<u>2,815,587</u>	<u>3,125,720</u>
Cash and money market funds, end of year	<u>\$3,187,515</u>	<u>\$2,815,587</u>
Cash and money market funds consist of:		
Operating	\$3,116,568	\$2,744,640
Restricted for special projects	6,147	6,147
Certificate of deposit restricted for lease	<u>64,800</u>	<u>64,800</u>
Total	<u>\$3,187,515</u>	<u>\$2,815,587</u>

See notes to financial statements.

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements June 30, 2025 and June 30, 2024

Note 1 – Organization and summary of significant accounting policies

Organization

Lawyers Alliance for New York (“Lawyers Alliance”) is a nonprofit corporation founded in 1969 and incorporated in 1984. Lawyers Alliance is the leading provider of business and transactional legal services for nonprofit organizations and social enterprises that are improving the quality of life in New York City neighborhoods. Our network of pro bono lawyers from law firms and corporations and staff of experienced attorneys collaborate to deliver expert corporate, tax, real estate, employment, intellectual property, and other legal services to community organizations. By connecting lawyers, nonprofits, and communities, Lawyers Alliance helps organizations to provide housing, stimulate economic opportunity, improve urban health and education, promote community arts, and operate and advocate for vital programs that benefit low-income New Yorkers of all ages.

During the fiscal year ended June 30, 2025, Lawyers Alliance’s staff of 21 and more than 2,400 volunteers served 715 clients on 1,396 different legal matters and hundreds of nonprofits and attorneys through more than approximately 1,100 brief consultations. In addition, Lawyers Alliance provided a range of educational opportunities for nonprofit Board members and managers, including webinars, pro bono clinics, printed publications, and online legal alerts.

Lawyers Alliance began a special major fundraising campaign in the fiscal year ending June 30, 2019 in recognition of its 50th anniversary milestone, which continued through the fiscal year ending June 30, 2025. Donors made one-time gifts or multi-year pledges. Funds raised are reflected under “50th Anniversary” in the statement of activities and included in grants and contributions receivable in the statement of financial position. The total amount of each campaign gift was recognized as revenue in the fiscal year that Lawyers Alliance received it, although a substantial amount was restricted for use in future years, and is being released over time to cover expenses as needed. This campaign supports ongoing and enhanced programs, capital upgrades, endowment and investment reserves.

Financial reporting

Lawyers Alliance maintains two classes of net assets, net assets without donor restrictions and net assets with donor restrictions, which consist of the following:

Net assets without donor restrictions

Operating fund – net assets without donor restrictions are used to account for the general activities of Lawyers Alliance.

Board-designated fund – During and following the 2003 fiscal year, the Board designated that the proceeds from the sale of certain of Lawyers Alliance’s property and other assets be set aside in a Board-designated fund. The purpose of the fund is to help offset any operating deficits or unbudgeted expenditures, enable Lawyers Alliance to undertake projects not otherwise provided for by Lawyers Alliance’s regular revenue generating activities, support established program priorities, and support such other programs and activities as approved by the Board. These funds can be used by the Board, at its discretion. As of June 30, 2025 and June 30, 2024, the amount of Board-designated funds totaled \$1,500,000.

LAWYERS ALLIANCE FOR NEW YORK**Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024****Note 1 – Organization and summary of significant accounting policies (continued)**Financial reporting (continued)Net assets with donor restrictions (continued)Temporary donor restrictions

Net assets with temporary donor restrictions consist of grants and contributions that are restricted by the donor for a specific purpose or pertain to future periods. Once that specific purpose has been met or the time restriction expires, the funds are released from their restriction.

Perpetual donor restrictions

Net assets with perpetual donor restrictions consist of contributions that are restricted by the donors in that the principal must remain in perpetuity, but the investment return earned on such funds may be spent in accordance with the donor's terms.

Grants, contributions and net assets released from restrictions

Lawyers Alliance reports grants and contributions as public support with donor restrictions if they are received with donor stipulations that 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 reported in the statement of activities as net assets released from restrictions.

Net assets that were released from donor restrictions by incurring expenses that satisfied the restricted purposes or by occurrence of other events specified by donors during the 2025 fiscal year totaled \$1,271,500 and were utilized for the general programs of Lawyers Alliance as described in note 1 to the financial statements.

Revenue recognition

Special events and educational programs are recorded as revenue at the delivery of the event or program, which is when the performance obligation is satisfied.

Contracts and legal fees are recorded as revenue when services were provided and earned, which is when the performance obligation is satisfied.

As of June 30, 2025 and June 30, 2024, Lawyer Alliance's revenue of \$4,171,843 and \$3,712,182, respectively, was recognized at a point in time.

Functional allocation of expenses

The costs of providing the various programs and other 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 activities benefited. Natural expenses attributable to more than one functional expense category are allocated using cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

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

Cash equivalents

Lawyers Alliance considers highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Lawyers Alliance reports investments at fair value in the statement of financial position. At June 30, 2025 and June 30, 2024, investments consist of the following:

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds				
Equity	\$ 838,395	\$1,971,429	\$ 836,094	\$1,768,264
Fixed income	2,831,515	2,190,608	2,761,961	2,068,016
Diversified	<u>1,805,234</u>	<u>1,821,923</u>	<u>1,742,032</u>	<u>1,685,099</u>
Total mutual funds	<u>\$5,475,144</u>	<u>\$5,983,960</u>	<u>\$5,340,087</u>	<u>\$5,521,379</u>

Investment return, net consists of the following for the years ended June 30, 2025 and June 30, 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividend income – net	\$ 277,200	\$ 169,780
Change in unrealized and realized gain on investments	<u>327,526</u>	<u>394,649</u>
Total	<u>\$ 604,726</u>	<u>\$ 564,429</u>
Consists of:		
Operating	\$ 277,200	\$ 169,780
Non-operating	<u>327,526</u>	<u>394,649</u>
Total	<u>\$ 604,726</u>	<u>\$ 564,429</u>

The mutual funds' management fees and operating expenses are reflected as a deduction of investment return for such investments.

Fair value measurements

Accounting principles generally accepted in the United States of America established a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad levels. Lawyers Alliance'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.

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

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

Accounts receivable

Accounts receivable primarily consist of amounts due from contracts and legal services provided.

The following is a summary of Lawyers Alliance’s accounts receivable for the years ended June 30, 2025 and June 30, 2024:

	<u>2025</u>	<u>2024</u>
Accounts receivable, net, beginning of year	\$ 36,375	\$ 24,640
Accounts receivable, net, end of year	\$ 45,220	\$ 36,375

Allowance for credit losses

Accounts, grants and contributions receivables are written off when deemed uncollectible. Recoveries of amounts previously written off are recorded when received. Lawyers Alliance has not provided for an allowance for credit losses for accounts, contributions and grants receivable that may not be collectible as of June 30, 2025, and June 30, 2024, respectively. Such estimates are based on management’s experience, the aging of the receivables, subsequent receipts and current and anticipated future economic conditions. During the 2025 fiscal year, Lawyers Alliance incurred bad debt expense and write offs of \$750.

Inventory

Inventory is stated at the lower of cost (first-in, first-out) or market. Inventory is periodically reviewed for obsolescence.

Property and equipment

Leasehold improvements, furniture and equipment and software are recorded at cost. Expenditures for such assets in excess of a nominal amount with an estimated useful life of greater than one year are capitalized. Depreciation of furniture and equipment and software has been provided in the financial statements utilizing the straight-line method over the estimated useful lives of the assets. Leasehold improvements are being depreciated over either their estimated useful life or the life of the lease, whichever is shorter. During the 2024 fiscal year, Lawyers Alliance wrote off fully depreciated office equipment with a cost basis of \$45,757.

Property and equipment consists of the following as of June 30, 2025 and June 30, 2024:

	<u>2025</u>	<u>2024</u>
Leasehold improvements	\$ 288,433	\$ 288,433
Furniture and equipment	185,441	185,441
Software	<u>93,088</u>	<u>93,088</u>
Sub-total	566,962	566,962
Less: accumulated depreciation	<u>451,397</u>	<u>422,209</u>
Net property and equipment	<u>\$ 115,565</u>	<u>\$ 144,753</u>

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

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

Contributed nonfinancial assets

Organizations are required to recognize contributions of services if they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist Lawyers Alliance. These services do not meet the criteria to be recorded and have not been included in the accompanying financial statements.

Lawyers Alliance recognizes contributed nonfinancial assets within public support and revenue. Unless otherwise noted, the contributed nonfinancial assets do not have donor-imposed restrictions.

Contributed goods consist of donated space for a volunteer appreciation event and are valued and reported based on the estimated amount of the donated facility fee. Contributed services are composed of legal fees from pro bono attorneys on administrative issues and an employee handbook, professional fees for pro bono IT services, fees from a pro bono investment advisor, and staffing expense for attorneys who volunteer as part of our legal staff. Contributed services are valued and reported at the estimated fair value based on current rates for similar professional services or staffing services.

For the years ended June 30, 2025 and June 30, 2024, contributed non-financial assets recognized in the statement of activities included the following:

<u>Description</u>	<u>2025</u>	<u>2024</u>
Professional fees	\$ 478,800	\$ 205,700
Community Outreach and marketing	<u>2,300</u>	<u>6,200</u>
Total	<u>\$ 481,100</u>	<u>\$ 211,900</u>

Operating leases

Lawyers Alliance follows guidance issued in FASB ASC 842, *Leases* (Topic 842). Topic 842 requires a lessee to record a right of use asset, which represents the right to use a respective asset for the lease term, and a lease liability on the statement of financial position at the remaining future payments due under the lease. Expenses in connection with the operating lease are reported in the statement of functional expenses. Lawyers Alliance has elected to use a risk-free rate to discount the payments to their present value.

LAWYERS ALLIANCE FOR NEW YORK**Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024****Note 1 – Organization and summary of significant accounting policies (continued)****Concentrations of credit risk**

Lawyers Alliance’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash, money market funds, investments and accounts, grants and contributions receivable. Lawyers Alliance places its cash and money market funds with what it believes to be quality financial institutions. At times the balance in Lawyers Alliance’s cash accounts exceeded the FDIC insurance limit; however, Lawyers Alliance has not experienced any losses in such accounts to date. Lawyers Alliance’s investments are exposed to various risks such as interest rate, market volatility, liquidity and credit risks. Due to the uncertainty related to the aforementioned risks, it is reasonably possible that changes in these risks could materially affect the fair value of Lawyers Alliance investments reported in the accompanying statement of financial position as of June 30, 2025. The collectibility of accounts, grants and contributions receivable from various organizations is reviewed on an ongoing basis. Lawyers Alliance believes no material concentrations of credit risk exist with respect to its cash, money market funds, investments and accounts, grants and contributions receivable.

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 that affect the amounts reported in the financial statements. Actual results could differ from these estimates.

Subsequent events

Lawyers Alliance has evaluated events and transactions for potential recognition or disclosure through November 21, 2025, which is the date the financial statements were available to be issued.

Note 2 – Liquidity and availability of financial assets

Lawyers Alliance’s working capital and cash flows have seasonal variations during the year attributable to cash receipts from contributions, special events and other items. As part of Lawyers Alliance’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 2 – Liquidity and availability of financial assets (continued)

The following is a summary of Lawyers Alliance’s financial assets as of June 30, 2025 and June 30, 2024 that are available for general use within one year of the statement of financial position date:

	<u>2025</u>	<u>2024</u>
Cash and money market funds	\$ 3,116,568	\$ 2,744,640
Investments, at fair value	5,983,960	5,521,379
Accounts receivable	45,220	36,375
Grants and contributions receivable expected to be collected in one year, net	<u>470,361</u>	<u>612,750</u>
Sub-total	9,616,109	8,915,144
Less: Assets with perpetual donor restrictions	<u>(1,191,101)</u>	<u>(1,191,101)</u>
Total	<u>\$ 8,425,008</u>	<u>\$ 7,724,043</u>

Note 3 – Grants and contributions receivable, net

Grants and contributions receivable, net consist of the following as of June 30, 2025 and June 30, 2024:

	<u>2025</u>	<u>2024</u>
50 th Anniversary	\$ 10,000	\$ 39,000
Law firm appeal	93,500	49,000
Foundations	116,111	547,500
Swing	-	10,000
Gala	224,500	10,000
Individual	32,250	11,250
Corporate	<u>-</u>	<u>2,000</u>
Total	<u>\$ 476,361</u>	<u>\$ 668,750</u>
Due within one year	\$ 470,361	\$ 612,750
Due within two to five years	<u>6,000</u>	<u>56,000</u>
Total	<u>\$ 476,361</u>	<u>\$ 668,750</u>

Note 4 – Special projects

Lawyers Alliance has entered into agreements to administer funds for certain special projects with the funds being provided by separate organizations. These transactions are being treated by Lawyers Alliance as agency transactions and, accordingly, any excess of funds received over disbursements are reflected as an asset and liability on Lawyers Alliance’s statement of financial position. At June 30, 2025 and June 30, 2024, the balance of such funds totaled \$6,147.

LAWYERS ALLIANCE FOR NEW YORK**Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024****Note 5 – Endowments**

Effective September 17, 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA), the provisions of which apply to endowment funds existing on or established after that date. Lawyers Alliance's endowment consists of funds established for a variety of purposes. Lawyers Alliance acts prudently when making decisions to spend or accumulate donor-restricted endowment assets and in doing so, to consider a number of factors, including the duration and preservation of its donor-restricted endowment funds. Lawyers Alliance classifies net assets with perpetual restrictions at the original value of gifts donated to the perpetual endowment. The portion of the donor-restricted endowment fund that is not classified as net assets with perpetual donor restrictions is classified as net assets without donor restrictions or net assets with temporary donor restrictions based on donor stipulations.

Lawyers Alliance considers the following eight factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the endowment fund
- (2) The purposes of the institution and the endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation or deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the institution
- (7) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on Lawyers Alliance.
- (8) The investment policies of Lawyers Alliance

Funds with deficiencies

There were no perpetual endowment fund deficiencies as of June 30, 2025.

Investment policy

Lawyers Alliance's investment policy and objectives, in order of priority, for the year ended June 30, 2025 were:

- i. To achieve modest growth of principal in excess of inflation.
- ii. To generate an annual yield, in the form of appreciated principal value, interest and dividends, to provide funds to enable Lawyers Alliance to fund projects, programs and other aspects of its operation to the extent funding is not otherwise available from Lawyers Alliance's regular fundraising and other revenue generating activities, as approved by the Board from time to time.
- iii. To preserve the inflation-adjusted principal of the fund.

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 5 – Endowments (continued)

Net assets with temporary donor restrictions

The transactions and components of net assets with temporary donor restrictions for the year ended June 30, 2025, were as follows:

	Balance June 30, <u>2024</u>	<u>Additions</u>	Less: Net Assets Released from <u>Restrictions</u>	Balance June 30, <u>2025</u>
Program services				
Foundations	\$ 820,000	\$ 870,000	\$ 935,000	\$ 755,000
50 th Anniversary Campaign	803,250	-	285,750	517,500
Law firm, swing and contributions	35,750	18,400	35,750	18,400
Special event	15,000	15,000	15,000	15,000
Total	<u>\$1,674,000</u>	<u>\$ 903,400</u>	<u>\$1,271,500</u>	<u>\$1,305,900</u>

Net assets with perpetual donor restrictions

Net assets with perpetual donor restrictions as of June 30, 2025 and June 30, 2024, consist of the following:

	Balance June 30, <u>2024</u>	<u>Additions</u>	Balance June 30, <u>2025</u>
Law firms	\$ 856,000	\$ -	\$ 856,000
Foundations	300,000	-	300,000
50 th Anniversary Campaign	14,600	-	14,600
Individuals	20,501	-	20,501
Total	<u>\$1,191,101</u>	<u>\$ -</u>	<u>\$1,191,101</u>

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements (continued) June 30, 2025 and June 30, 2024

Note 6 – Term endowment

During July 2014, Lawyers Alliance received \$500,000 under the terms of a Term Endowment Agreement (the “Agreement”). The Agreement initially established an endowment in support of Lawyers Alliance's programs for a period of five years through July 1, 2019. During August 2019, the agreement was extended for an additional five years through July 2, 2024. During April 2024, the Agreement was extended for an additional five years through July 2, 2029. The Agreement allows Lawyers Alliance to spend the income earned on these funds for its programs; however, the principal shall not be invaded. The donor may reassign the funds upon the expiration of the five-year term as extended, or earlier as outlined in the Agreement; in addition, the donor reserves the right to reassign the funds to any qualified charitable institution, without the consent of Lawyers Alliance, upon thirty days written notice. In the event the funds received under this Agreement are reassigned by the donor, the amount reassigned shall be equal to the lesser of (i) the principal amount, or (ii) the market value of the term endowment at the time the funds are reassigned. During both July 2018 and July 2017, Lawyers Alliance received additional \$200,000 payments under the Agreement. During July 2020, Lawyers Alliance received an additional \$100,000 payment under the Agreement for a total of \$1,000,000 in principal as of June 30, 2025. During the 2025 fiscal year, Lawyers Alliance withdrew \$6,689 from the Term Endowment investments for program support, consistent with the agreement. Lawyers Alliance did not make any withdrawals during the fiscal year ending June 30, 2024.

Note 7 – Commitments

On March 6, 2019, Lawyers Alliance amended the agreement to lease office space at 171 Madison Avenue, commencing July 1, 2019 and expiring June 30, 2029 at an initial base rent of \$422,500 increasing to \$527,645 during the final year of the lease exclusive of electricity and certain increases in operating costs of the landlord as outlined in the agreement. As security for the lease, Lawyers Alliance obtained an irrevocable standby letter of credit from a bank in the amount of \$64,800. Lawyers Alliance granted the bank a security interest in a \$64,800 certificate of deposit as collateral.

The following are the required annual payments under the lease agreement (exclusive of certain increases in operating costs of the landlord):

<u>Fiscal year</u>	<u>Amount</u>
2026	\$ 489,970
2027	502,220
2028	514,775
2029	<u>527,645</u>
Total	2,034,610
Less: present value discount (2.88%)	<u>287,418</u>
Total operating lease liability	1,747,192
Less: current portion	<u>489,970</u>
Long-term portion	<u>\$ 1,257,222</u>

LAWYERS ALLIANCE FOR NEW YORK

Notes to Financial Statements (continued)
June 30, 2025 and June 30, 2024

Note 7 – Commitments (continued)

Lawyers Alliance’s lease cost, cash flow items and weighted average information is as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 478,020	\$ 466,361
Weighted-average remaining lease term	4.0 years	5.0 years
Weighted-average interest rate:	2.88%	2.88%

Note 8 – Retirement plans

Lawyers Alliance maintains a 403(b) retirement plan for all eligible employees. Eligible employees may contribute a portion of their salary in accordance with Internal Revenue Code limitations. Depending on years of service, Lawyers Alliance will contribute either 3% or 5% of an employee's compensation to the Plan whether or not they contribute to the Plan. Such contributions are immediately vested 100% for the benefit of the employee. Plan expenses for the 2025 and 2024 fiscal years totaled \$64,923 and \$70,677, respectively.

In addition, Lawyers Alliance also maintains a 457 (b) retirement plan for management employees. Management employees may contribute a portion of their salary in accordance with Internal Revenue Code limitations. Lawyers Alliance does not contribute to the 457(b) Plan.

Note 9 – Tax status

Lawyers Alliance is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, Lawyers Alliance has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation, within the meaning of Sections 509(a)(1) and 170(b)(1)(a)(vi) of the Code.