



THE CAMPAIGN LEGAL CENTER, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

THE CAMPAIGN LEGAL CENTER, INC.

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DECEMBER 31, 2025

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Independent Auditor's Report

Board of Trustees
The Campaign Legal Center, Inc.
Washington, D.C.

Opinion

We have audited the accompanying financial statements of The Campaign Legal Center, Inc. (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 Campaign Legal Center, Inc. as of December 31, 2025, and the changes in its 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 Campaign Legal Center, Inc. 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 Campaign Legal Center, Inc.'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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Campaign Legal Center Inc.'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 Campaign Legal Center Inc.'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.

Councilor, Buchanan + Mitchell, P.C.

Certified Public Accountants

Bethesda, Maryland
May 14, 2026

THE CAMPAIGN LEGAL CENTER, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 45,407,351
Investments	2,526,631
Pledges Receivable	7,172,439
Accounts Receivable	50,000
Due from Campaign Legal Center Action	25,058
Prepaid Expenses	<u>259,789</u>
Total Current Assets	55,441,268
Pledges Receivable, Net of Current Portion	849,223
Operating Right-of-Use Assets	376,731
Property and Equipment, Net	359,380
Security Deposit	<u>248,567</u>
Total Assets	<u><u>\$ 57,275,169</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 1,460,738
Grants Payable	20,000
Operating Lease Liabilities	<u>520,563</u>
Total Current Liabilities	2,001,301
Operating Lease Liabilities, Net of Current Portion	<u>15,031</u>
Total Liabilities	2,016,332
Net Assets	
Without Donor Restrictions	
Undesignated	20,925,501
Board Designated for Reserve Fund	14,075,000
Board Designated for President's Emergent Threat Fund	<u>1,645,000</u>
Total Net Assets Without Donor Restrictions	36,645,501
With Donor Restrictions	<u>18,613,336</u>
Total Net Assets	<u>55,258,837</u>
Total Liabilities and Net Assets	<u><u>\$ 57,275,169</u></u>

See accompanying Notes to Financial Statements.

THE CAMPAIGN LEGAL CENTER, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Contributions and Grants	\$ 12,768,767	\$ 25,433,285	\$ 38,202,052
Donated Services	121,760	-	121,760
Service Revenue	50,000	-	50,000
Net Investment Income	1,722,777	-	1,722,777
Other	5,253	-	5,253
Net Assets Released from Restrictions	<u>13,349,131</u>	<u>(13,349,131)</u>	<u>-</u>
 Total Revenue	 28,017,688	 12,084,154	 40,101,842
Expenses			
Program	16,005,247	-	16,005,247
Administrative	3,906,334	-	3,906,334
Fundraising	<u>1,612,498</u>	<u>-</u>	<u>1,612,498</u>
 Total Expenses	 <u>21,524,079</u>	 <u>-</u>	 <u>21,524,079</u>
 Change in Net Assets	 6,493,609	 12,084,154	 18,577,763
Net Assets, Beginning of Year	<u>30,151,892</u>	<u>6,529,182</u>	<u>36,681,074</u>
 Net Assets, End of Year	 <u><u>\$ 36,645,501</u></u>	 <u><u>\$ 18,613,336</u></u>	 <u><u>\$ 55,258,837</u></u>

See accompanying Notes to Financial Statements.

THE CAMPAIGN LEGAL CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Voting Rights	Ethics	Redistricting	Campaign Finance	Communications	Policy	Other Programs	Total Program Services	Administrative	Fundraising	Total
Expenses											
Salaries and Benefits	\$ 3,648,191	\$ 945,126	\$ 1,094,210	\$ 2,159,697	\$ 1,772,932	\$ 1,227,457	\$ 1,611,653	\$ 12,459,266	\$ 2,868,687	\$ 1,076,297	\$ 16,404,250
Professional Fees	134,635	-	13,989	4,000	419,857	335,004	2,854	910,339	521,165	275,000	1,706,504
Litigation Expenses	76,937	1,653	465,357	9,166	-	890	1,862	555,865	1,573	-	557,438
Conferences and Meetings	5,406	-	-	-	214	2,506	-	8,126	12,421	101,103	121,650
Depreciation and Amortization	-	-	-	-	-	-	-	-	236,409	-	236,409
Insurance	-	-	-	-	-	-	-	-	178,898	-	178,898
Operating Lease Expense	-	-	-	-	-	-	-	-	437,052	-	437,052
Other Occupancy Costs	-	-	-	-	-	-	-	-	42,146	-	42,146
Office Expense	17,526	2,398	9,637	5,699	25,241	4,832	7,106	72,439	172,623	23,106	268,168
Telecommunications	-	-	-	-	-	-	-	-	10,469	-	10,469
Travel	136,497	12,455	59,330	30,970	24,041	28,150	37,456	328,899	27,628	38,290	394,817
Miscellaneous	652	-	-	31	200	11	-	894	11,353	119	12,366
Grants to Other Organizations	317,720	-	-	-	-	107,730	-	425,450	-	-	425,450
Digital Expenses	65,556	-	26	-	204,545	-	-	270,127	219	-	270,346
Research Services	60,909	31,069	57,389	69,030	46,104	24,603	4,719	293,823	114,251	50,042	458,116
Shared Cost Allocation	219,204	47,860	62,219	106,448	79,986	69,525	94,777	680,019	(728,560)	48,541	-
Total Expenses	\$ 4,683,233	\$ 1,040,561	\$ 1,762,157	\$ 2,385,041	\$ 2,573,120	\$ 1,800,708	\$ 1,760,427	\$ 16,005,247	\$ 3,906,334	\$ 1,612,498	\$ 21,524,079

See accompanying Notes to Financial Statements.

THE CAMPAIGN LEGAL CENTER, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Cash Flows from Operating Activities	
Change in Net Assets	\$ 18,577,763
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Donated Securities Received	(5,601,383)
Proceeds from Sales of Donated Securities	5,534,523
Net Gain on Investments	(297,423)
Depreciation and Amortization	236,409
Operating Lease Expense	437,052
<u>(Increase) Decrease in Assets</u>	
Pledges Receivable	(5,478,798)
Due from Campaign Legal Center Action	54,865
Prepaid Expenses	(75,533)
Security Deposit	(160,693)
<u>Increase (Decrease) in Liabilities</u>	
Accounts Payable and Accrued Expenses	838,020
Grants Payable	20,000
Operating Lease Liabilities	(613,277)
	<hr/>
Net Cash Provided by Operating Activities	13,471,525
 Cash Flows from Investing Activities	
Purchases of Investments	(133,020)
Proceeds from Sales of Investments	499,992
Purchases of Property and Equipment	(151,627)
	<hr/>
Net Cash Provided by Investing Activities	215,345
 Net Increase in Cash and Cash Equivalents	13,686,870
Cash and Cash Equivalents, Beginning of Year	31,720,481
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 45,407,351

See accompanying Notes to Financial Statements.

THE CAMPAIGN LEGAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Campaign Legal Center, Inc. (CLC) is a District of Columbia nonprofit corporation. CLC works as a nonpartisan organization to protect and strengthen the democratic process across all levels of government through litigation and advocacy.

CLC is supported primarily by contributions and grants.

The major programs of CLC are as follows:

Voting Rights: Voting should be accessible for all citizens, no matter where they live, the color of their skin or how much money they make. To make every vote count, we need a system that is free and fair to ensure that everyone's voice is heard, including those who have had contact with the criminal legal system. CLC believes that state and federal policies should uniformly protect the right to vote and promote voter participation across the United States. This CLC program, through litigation, policy analysis, state-based and federal advocacy, and public education, seeks to protect the right to vote and expand access to the ballot. CLC is also committed to defending the First Amendment rights of dissenting voices and challenging attempts to override our system of separation of powers as part of their voting rights program work.

Ethics: CLC works to enforce and reform our ethics laws at all levels of government to help promote a democracy that is trustworthy, accountable, and responsive to the public. The ethics program takes legal action to hold officeholders accountable and to discourage actual and apparent conflicts of interest. The program also provides support and guidance to state and local ethics commissions through research and legal advice, regularly highlighting and promoting successful initiatives as best practices. Overall, the program supports the principle that public confidence is earned through the commitment of those in and working with government to know that that public service is a public trust.

Redistricting: Democracy works best when our voting maps are fairly drawn on a nonpartisan basis to ensure that Americans can participate equally in the election of their representatives. Unfortunately, incumbents often rig the system to benefit themselves, their party, and special interest supporters, manipulating voting maps to dictate the outcome of elections. Two sources of discrimination in voting maps are partisan gerrymandering and electoral systems that underrepresent people of color. The result is dysfunction, mistrust, and public policies that ignore the will of the people. This CLC program advances and supports legal cases that address redistricting violations, works on the front lines in the fight for fair redistricting practices in the states, and continues to promote voters' rights to fair districts nationwide.

Campaign Finance: The First Amendment guarantees every American the right to participate fully in the political process. The dependence of political candidates on wealthy special interests is a serious flaw in our political system and makes elected officials responsive to their large donors rather than to the public. The tremendous power of special interest money in politics often drowns out the voice of everyday Americans, threatens our First Amendment freedoms, and erodes the foundations of our entire democracy. To restore fairness to our political system, this CLC program advocates for passing and enforcing strong campaign finance reforms that help guarantee a democracy that is both representative of and responsive to the people. These reform solutions include placing reasonable limits on funding of campaigns, complete transparency of campaign spending and public financing of elections.

THE CAMPAIGN LEGAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Campaign Finance (Continued): CLC helps enact such policies at the state, local, and federal levels, and works to ensure that the Federal Election Commission enforces current campaign finance laws. CLC also defends laws that promote the First Amendment's guarantee that every American has the ability to participate in the democratic process.

Communications: CLC's communication program supports the overall mission of CLC and utilizes strategies to leverage and brand CLC as a thought leader, educator, and advocate. The communication program works across CLC program teams to create and disseminate content, build program audiences, and seek partnership and collaboration on important public conversations. This includes supporting Campaign Legal Conversations, which explores complicated issues in democracy, sharing stories of voters who have faced barriers to participating in the political process, and educating press, partners, and donors about CLC's litigation efforts.

Policy: CLC's policy team functions as a centralized advocacy team within CLC. Policy works with all other CLC teams to provide policy expertise and translate CLC's legal expertise into advocacy. Policy is responsible for building and maintaining relationships with lawmakers at the local, state, and federal level, and leveraging those relationships to advance organizational priorities. The team is also responsible for creating opportunities for CLC's federal and state policy work to bolster each other. CLC leverages its significant commitment to state policy to inform other departments' work and forge multifaceted advocacy strategies that target a variety of stakeholders.

Basis of Accounting

CLC has presented its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

CLC considers all highly liquid debt instruments with initial maturities of ninety days or less to be cash equivalents.

Investments

CLC's investments are stated at fair market value. The valuation of marketable securities is based upon quotations obtained from national securities exchanges.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and grants revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

THE CAMPAIGN LEGAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable (Continued)

CLC reviews the collectability of the receivables on a regular basis. Management considers all pledges receivable to be fully collectible, and accordingly, does not believe any allowance for uncollectible pledges is necessary as of December 31, 2025.

Accounts Receivable

Accounts receivable consist of amounts due within one year related to service revenue. Accounts receivable amounts are presented in the statement of financial position at the net amount expected to be collected. CLC uses the loss-rate method to estimate expected credit losses based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Historical credit loss experience provides the basis for the estimation of expected credit losses and adjustments are made for differences in current and forecasted risk characteristics and economic conditions. However, CLC has historically had insignificant write-offs. Therefore, management has determined that no allowance for credit losses is necessary as of December 31, 2025.

Property and Equipment

CLC capitalizes all property and equipment acquisitions greater than \$2,000. Property and equipment are recorded at cost, if purchased, or at fair market value, if donated. Depreciation and amortization is computed using the straight-line method over the estimated useful life of the asset. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated lives of the related assets or the remaining lease term and is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. Maintenance and repairs are charged to expense when incurred.

CLC capitalizes costs for website development incurred during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Internal and external costs, if direct and incremental, are capitalized until the website is substantially complete and ready for its intended use.

Right-of-Use Assets and Lease Liabilities

The determination of whether an arrangement is a lease is made at the lease's inception. Under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use asset is the lease liability adjusted for other lease-related accounts.

THE CAMPAIGN LEGAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-Use Assets and Lease Liabilities (Continued)

Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring CLC's right-of-use assets and lease liabilities. Operating lease expense is allocated over the remaining lease term on a straight-line basis.

CLC considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, CLC does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

Basis of Presentation

Net assets and revenues are classified based on the existence or absence of donor-imposed restrictions and reported as follows:

Net Assets Without Donor Restrictions - net assets that are not subject to donor-imposed purpose or time restrictions.

Net Assets With Donor Restrictions - net assets subject to donor-imposed stipulations that will be met either by actions of CLC and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or a 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.

Revenue Recognition

Unconditional contributions and grants received are recorded as with donor restrictions or without donor restrictions depending on existence and/or the nature of any donor restrictions.

Conditional contributions and grants are reported as refundable advances until the conditions have been substantially met or explicitly waived by the donor. Revenue is recognized on the date the conditions are met.

Service revenue is primarily related to legal advice and services on election-related legislation and policy, as contracted. Service revenue is recognized over time as services are provided. Any amounts due but not yet received are included in accounts receivable. The beginning balance of accounts receivable was \$50,000 as of January 1, 2025.

Donated Services

Donated services are recognized as contributions, at fair value, if the services (a) create nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CLC.

THE CAMPAIGN LEGAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, operating lease expense, other occupancy costs, insurance, depreciation and amortization, and other general expenses, which are allocated on the basis of estimates of time and effort by employees. Expenses directly identifiable to programs and supporting activities are presented accordingly.

Income Taxes

CLC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation.

CLC requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. CLC does not believe its financial statements include, or reflect, any uncertain tax positions. CLC’s IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination generally for three years after filing.

2. FINANCIAL RISKS AND CONCENTRATIONS

CLC maintains cash balances at financial institutions. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times during the year, CLC’s cash balances exceeded the FDIC insurance limits. Management believes the risk in these situations to be minimal.

CLC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

As of December 31, 2025, approximately 44% of pledges receivable was due from one grantor. For the year ended December 31, 2025, approximately 45% of contributions and grants revenue was received from two grantors.

THE CAMPAIGN LEGAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

3. LIQUIDITY AND AVAILABLE RESOURCES

CLC's liquidity policy requires CLC to maintain sufficient liquid financial assets in order to meet general expenditures and obligations as they become due, specifically to maintain cash and cash equivalents equal to at least six months of routine operating expenditures. Management periodically reviews CLC's liquid asset needs and adjusts reserves as needed.

Management may use the Board Designated Reserve only with approval from CLC's Board of Trustees. CLC's President manages the Board Designated President's Emergent Threat Fund and may use funds without Board approval. The Board Designated Reserve and Board Designated President's Emergent Threat Fund are included in cash and cash equivalents on the statement of financial position.

As of December 31, 2025, the following financial assets and liquidity sources were available for general operating expenditures in the year ending December 31, 2026:

<u>Financial Assets</u>	<u>Amount</u>
Cash and Cash Equivalents	\$ 45,407,351
Investments	2,526,631
Pledges Receivable Due in Less Than One Year	7,172,439
Accounts Receivable Due in Less Than One Year	50,000
Due from Campaign Legal Center Action	25,058
Total Financial Assets Available within One Year	55,181,479
Less Donor Restricted for Purpose or General Expenditures Beyond One Year	(5,087,197)
Less Board Designated for Reserve Fund	(14,075,000)
Less Board Designated for President's Emergent Threat Fund	(1,645,000)
Financial Assets Available to Meet Cash Needs for General Expenditure within One Year	<u>\$ 34,374,282</u>

4. PLEDGES RECEIVABLE

Pledges receivable consisted of the following as of December 31, 2025:

<u>Description</u>	<u>Amount</u>
Pledges Receivable Due in Less Than One Year	\$ 7,172,439
Pledges Receivable Due in One to Five Years	911,750
Total Pledges Receivable	8,084,189
Less Discount to Net Present Value	(62,527)
Total Pledges Receivable	<u>\$ 8,021,662</u>

Pledges receivable have been discounted using a discount rate ranging from 3.47% to 4.38%.

5. INVESTMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;

THE CAMPAIGN LEGAL CENTER, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025**

5. INVESTMENTS (CONTINUED)

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment.

The following presents CLC's assets measured at fair value on a recurring basis as of December 31, 2025.

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Vanguard Total International Stock ETF	\$ 500,592	\$ 500,592	\$ -	\$ -
Vanguard Total Stock Market ETF	2,026,039	2,026,039	-	-
Total Investments at Fair Value	\$ 2,526,631	\$ 2,526,631	\$ -	\$ -

6. PROPERTY AND EQUIPMENT

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

Description	Amount
Computer Equipment	\$ 606,821
Furniture and Equipment	399,329
Website	451,379
Leasehold Improvements	784,914
Total	2,242,443
Less Accumulated Depreciation and Amortization	(1,883,063)
Property and Equipment, Net	\$ 359,380

7. RELATED PARTY TRANSACTIONS

CLC has a cost-sharing agreement with Campaign Legal Center Action (Action), a nonprofit organization exempt under Section 501(c)(4) of the Internal Revenue Code. The agreement covers personnel costs, rent, and other overhead costs. During the year ended December 31, 2025, Action incurred costs under the cost-sharing agreement of approximately \$207,000.

Additionally, during the year ended December 31, 2025, CLC recognized approximately \$10,442,000, or 27%, of its contributions and grants from CLC staff, CLC Board members, and organizations who share Board members with CLC.

THE CAMPAIGN LEGAL CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31, 2025:

Description	Amount
Voting Rights	\$ 555,833
Development	5,423
Personnel	110,660
Anti-Sabotage	64,974
Charles Fried Fellowship	370,211
Timing Restricted	17,506,235
Donor Restricted Net Assets	<u>\$ 18,613,336</u>

Net assets with donor restrictions were released from donor restrictions during the year ended December 31, 2025, by satisfying restrictions as follows:

Description	Amount
Voting Rights	\$ 508,334
Redistricting	118,367
Development	4,577
Personnel	220,610
Anti-Sabotage	1,183,535
Charles Fried Fellowship	50,000
Timing Restricted	11,263,708
Net Assets Released from Restrictions	<u>\$ 13,349,131</u>

9. RETIREMENT PLAN

CLC maintains a 401(k) plan (the Plan) that covers all employees who meet certain age and service requirements. Employees are eligible for discretionary profit-sharing contributions after completing one year of eligibility and being employed on the last day of the year. Employees are eligible for 100% matching contributions of their elective deferrals up to 6% of compensation. There is no service requirement for elective deferrals and matching contributions. During the year ended December 31, 2025, CLC's contributions to the Plan were approximately \$668,000.

10. DONATED SERVICES

During the year ended December 31, 2025, CLC was the beneficiary of professional services. The donated professional services were valued based on current market rates for such services. The value approximated \$122,000 for the year ended December 31, 2025, and was included in communications expenses in the statement of functional expenses. All donated services received by CLC were considered without donor restrictions and able to be used by CLC as determined by the Board of Trustees and management.

11. OPERATING LEASES

CLC is obligated under an operating lease for office space through October 2026. The lease includes six months of rent abatement. Under the terms of the lease, the base lease payment increases annually based on scheduled increases provided for in the lease plus the pass-through of increases in operating expenses and real estate taxes.

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11. OPERATING LEASES (CONTINUED)

CLC received lease incentives totaling approximately \$785,000. The lease does not contain an option to extend the lease term or terminate early.

Under U.S. GAAP, operating lease expense is recognized on a straight-line basis over the remaining lease term. CLC had no variable or short-term lease expense in 2025.

CLC is also obligated under a non-cancelable operating lease for certain office equipment through 2029.

Maturity of the operating lease liabilities as of December 31, 2025, is as follows:

<u>For the Years Ending December 31,</u>	<u>Office Lease</u>	<u>Copier Lease</u>	<u>Total</u>
2026	\$ 518,497	\$ 5,493	\$ 523,990
2027	-	5,493	5,493
2028	-	5,493	5,493
2029	-	5,033	5,033
	<u>518,497</u>	<u>21,512</u>	<u>540,009</u>
Total Undiscounted Minimum Lease Payments	518,497	21,512	540,009
Less Discount to Present Value	(2,669)	(1,746)	(4,415)
	<u>\$ 515,828</u>	<u>\$ 19,766</u>	<u>\$ 535,594</u>
Total Operating Lease Liabilities	<u>\$ 515,828</u>	<u>\$ 19,766</u>	<u>\$ 535,594</u>
Operating Right-of-Use Assets	<u>\$ 356,965</u>	<u>\$ 19,766</u>	<u>\$ 376,731</u>

The supplementary qualitative operating lease information is as follows:

<u>Supplementary Qualitative Operating Lease Information</u>	<u>Amount</u>
Weighted-Average Remaining Lease Term (Years)	0.95
Weighted-Average Discount Rate (Risk Free)	1.49%

In November 2025, CLC entered into a new noncancellable operating lease for office space with a commencement date of October 1, 2026. The lease provides for an initial term of 140 months with one five-year renewal option. Monthly base lease payments begin at approximately \$80,000 and increase 2.5% annually. CLC is also responsible for pass-through operating expenses and real estate taxes. The monthly base lease payments and pass-through expenses are both subject to a 50% abatement for the first 40 months of the lease term. Additionally, in connection with the lease, the lessor shall make lease incentives available to CLC totaling approximately \$2,410,000. Since this lease had not yet commenced as of December 31, 2025, no related right-of-use asset or lease liability has been recognized in the accompanying financial statements. CLC will recognize the related operating right-of-use asset and operating lease liability upon commencement of the lease in 2026.

12. EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC) was created as part of the CARES Act in response to COVID-19 and provides employers a refundable tax credit against certain employment taxes after March 12, 2020. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 extended the ERC through September 30, 2021.

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12. EMPLOYEE RETENTION CREDIT (CONTINUED)

CLC applied for the ERC retroactively for the first three quarters of 2021. During the year ended December 31, 2025, CLC received ERC amounts for the first two quarters of 2021 totaling approximately \$863,000, which are included in contributions and grants in the statement of activities.

CLC received a notice from the Internal Revenue Service (IRS) that ERC for the third quarter of 2021 of approximately \$470,000 was disallowed, which CLC appealed. Since CLC has not received confirmation from the IRS regarding the outcome of this appeal, the ERC has not been reflected in the financial statements. As such, the remaining conditional contribution related to this ERC as of December 31, 2025, is estimated to be approximately \$470,000.

13. SUBSEQUENT EVENTS

Subsequent events were evaluated through May 14, 2026, which is the date the financial statements were available to be issued.