

**WILLIAM J. BRENNAN JR.
CENTER FOR JUSTICE, INC. AND AFFILIATE**

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

JUNE 30, 2025 AND 2024

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

TABLE OF CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1-2
 FINANCIAL STATEMENTS	
<i>Consolidated Statements of Financial Position,</i> June 30, 2025 And 2024	3
<i>Consolidated Statement of Activities And Changes In Net Assets,</i> Year Ended June 30, 2025 With Summarized Information For The Year Ended June 30, 2024	4
<i>Consolidated Statements of Functional Expenses,</i> Years Ended June 30, 2025 And 2024	5-6
<i>Consolidated Statements of Cash Flows,</i> Years Ended June 30, 2025 And 2024	7
<i>Notes To Financial Statements</i>	8
 SUPPLEMENTAL INFORMATION	
<i>Consolidating Statement of Financial Position,</i> June 30, 2024	19
<i>Consolidating Statement of Activities And Changes In Net Assets,</i> Year Ended June 30, 2024	20

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees

William J. Brennan Jr.

Center For Justice, Inc. And Affiliate

New York, New York

Opinion

We have audited the accompanying consolidated financial statements of William J. Brennan, Jr. Center For Justice, Inc. and Affiliate (the “**Center**”), which comprise the consolidated statements of financial position as of June 30, 2025 and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 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 Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

Board of Trustees
William J. Brennan Jr.
Center For Justice, Inc. And Affiliate
New York, New York

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

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

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

Report on Summarized Comparative Information

We have previously audited the Center's 2024 financial statements, and our report dated October 1, 2024, expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of consolidating statement of financial position on page 19 and schedule of consolidating statement of activities and changes in net assets on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and 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 applied in the audit of the financial statements and certain additional 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 as a whole.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
September 30, 2025

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2025 And 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 39,940,088	\$ 28,666,021
Pledges receivable (<i>Note 2</i>)	90,750	90,000
Grants receivable (<i>Note 3</i>)	7,150,432	11,660,120
Interest receivable	1,206,296	1,074,733
Other receivable	-	373,071
Other assets	1,090,990	812,607
Investments (<i>Note 4</i>)	241,765,854	218,941,207
Operating right-of-use asset (<i>Note 9</i>)	42,553,453	35,860,362
Leasehold improvements, furniture and equipment, net (<i>Note 5</i>)	<u>15,173,712</u>	<u>16,075,985</u>
Total Assets	<u>\$348,971,575</u>	<u>\$313,554,106</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 3,060,736	\$ 2,978,803
Operating lease liability (<i>Note 9</i>)	<u>53,408,672</u>	<u>43,734,689</u>
Total Liabilities	<u>56,469,408</u>	<u>46,713,492</u>
Net Assets (<i>Note 7</i>)		
Without donor restrictions		
Undesignated	95,681,397	59,721,575
Board Designated		
Brennan Future Fund	25,000,000	25,000,000
Brennan Legacy Fund	<u>125,000,000</u>	<u>125,000,000</u>
Total Without Donor Restriction	245,681,397	209,721,575
With donor restrictions	<u>46,820,770</u>	<u>57,119,039</u>
Total Net Assets	<u>292,502,167</u>	<u>266,840,614</u>
Total Liabilities and Net Assets	<u>\$348,971,575</u>	<u>\$313,554,106</u>

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2025 With Summarized Information For The Year Ended June 30, 2024

	Without Donor Restrictions			With Donor Restrictions	2025 Total	2024 Total			
	Board								
	Undesignated	Designated	Total						
Operating Revenue									
Grants, net	\$ -	\$ -	\$ -	\$ 19,589,301	\$ 19,589,301	\$ 21,927,727			
Contributions	35,825,165	-	35,825,165	3,186,399	39,011,564	28,433,076			
Special events net of direct expenses of \$369,120 in 2025 and \$299,373 in 2024	977,021	-	977,021	-	977,021	708,074			
Legal fees reimbursement	-	-	-	-	-	983,093			
Net assets released from restrictions (<i>Note 7</i>)	<u>33,502,442</u>	<u>-</u>	<u>33,502,442</u>	<u>(33,502,442)</u>	<u>-</u>	<u>-</u>			
Total operating revenue	<u>70,304,628</u>	<u>-</u>	<u>70,304,628</u>	<u>(10,726,742)</u>	<u>59,577,886</u>	<u>52,051,970</u>			
In-kind services (<i>Note 11</i>)	<u>2,888,342</u>	<u>-</u>	<u>2,888,342</u>	<u>-</u>	<u>2,888,342</u>	<u>5,559,474</u>			
Total operating revenues and in-kind services	<u>73,192,970</u>	<u>-</u>	<u>73,192,970</u>	<u>(10,726,742)</u>	<u>62,466,228</u>	<u>57,611,444</u>			
Expenses									
Salaries	28,452,334	-	28,452,334	-	28,452,334	23,987,675			
Payroll taxes and benefits	6,735,021	-	6,735,021	-	6,735,021	5,368,658			
Professional services	10,697,243	-	10,697,243	-	10,697,243	9,647,511			
Sub-grants	120,500	-	120,500	-	120,500	316,000			
Occupancy and related interest	5,624,253	-	5,624,253	-	5,624,253	5,603,864			
Office expenses	2,366,501	-	2,366,501	-	2,366,501	1,999,336			
Travel and meetings	1,949,952	-	1,949,952	-	1,949,952	1,880,678			
Depreciation	<u>1,614,104</u>	<u>-</u>	<u>1,614,104</u>	<u>-</u>	<u>1,614,104</u>	<u>1,312,009</u>			
Total expenses	<u>57,559,908</u>	<u>-</u>	<u>57,559,908</u>	<u>-</u>	<u>57,559,908</u>	<u>50,115,731</u>			
In-kind services (<i>Note 11</i>)	<u>2,888,342</u>	<u>-</u>	<u>2,888,342</u>	<u>-</u>	<u>2,888,342</u>	<u>5,559,474</u>			
Total expenses and in-kind services	<u>60,448,250</u>	<u>-</u>	<u>60,448,250</u>	<u>-</u>	<u>60,448,250</u>	<u>55,675,205</u>			
Excess of revenue over expenses	<u>12,744,720</u>	<u>-</u>	<u>12,744,720</u>	<u>(10,726,742)</u>	<u>2,017,978</u>	<u>1,936,239</u>			
Non-operating income (loss)									
Investment total return (<i>Note 4</i>)	23,215,102	-	23,215,102	428,473	23,643,575	24,607,410			
Loss on disposal of furniture and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(268,399)</u>			
Change in net assets	<u>35,959,822</u>	<u>-</u>	<u>35,959,822</u>	<u>(10,298,269)</u>	<u>25,661,553</u>	<u>26,275,250</u>			
Net Assets									
Beginning of year	<u>59,721,575</u>	<u>150,000,000</u>	<u>209,721,575</u>	<u>57,119,039</u>	<u>266,840,614</u>	<u>240,565,364</u>			
End of year	<u>\$ 95,681,397</u>	<u>\$ 150,000,000</u>	<u>\$ 245,681,397</u>	<u>\$ 46,820,770</u>	<u>\$ 292,502,167</u>	<u>\$ 266,840,614</u>			

See notes to financial statements.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program Services							Supporting Services			
	Liberty & National Security			Communications	Fellows Program	Public Policy & Advocacy	Total Program Services	Management And General		Total Supporting Services	Total
	Democracy	Justice									
Salaries	\$ 9,991,850	\$ 1,951,622	\$ 2,432,792	\$ 4,972,759	\$ 829,074	\$ 408,193	\$ 20,586,290	\$ 5,215,268	\$ 2,650,776	\$ 7,866,044	\$ 28,452,334
Payroll taxes and benefits	2,320,269	444,040	558,569	1,207,847	186,221	97,305	4,814,251	1,309,911	610,859	1,920,770	6,735,021
Professional services	3,311,607	132,397	135,502	4,231,051	406,642	84,149	8,301,348	1,672,921	722,974	2,395,895	10,697,243
Sub-grants	120,500	-	-	-	-	-	120,500	-	-	-	120,500
Occupancy and related interest	1,772,777	337,745	416,651	922,851	214,277	94,321	3,758,622	1,375,754	489,877	1,865,631	5,624,253
Office expenses	555,010	78,779	100,341	584,980	51,131	24,867	1,395,108	599,227	372,166	971,393	2,366,501
Travel and meetings	744,359	116,484	80,348	319,924	141,901	69,975	1,472,991	362,777	114,184	476,961	1,949,952
Depreciation	<u>549,263</u>	<u>104,675</u>	<u>128,972</u>	<u>285,675</u>	<u>65,801</u>	<u>23,483</u>	<u>1,157,869</u>	<u>305,326</u>	<u>150,909</u>	<u>456,235</u>	<u>1,614,104</u>
Total expenses – 2025	19,365,635	3,165,742	3,853,175	12,525,087	1,895,047	802,293	41,606,979	10,841,184	5,111,745	15,952,929	57,559,908
In-kind services	<u>2,720,702</u>	<u>-</u>	<u>106,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,827,698</u>	<u>60,644</u>	<u>-</u>	<u>60,644</u>	<u>2,888,342</u>
Total expenses and in-kind services	<u><u>\$22,086,337</u></u>	<u><u>\$3,165,742</u></u>	<u><u>\$3,960,171</u></u>	<u><u>\$12,525,087</u></u>	<u><u>\$1,895,047</u></u>	<u><u>\$802,293</u></u>	<u><u>\$44,434,677</u></u>	<u><u>\$10,901,828</u></u>	<u><u>\$5,111,745</u></u>	<u><u>\$16,013,573</u></u>	<u><u>\$60,448,250</u></u>

See notes to financial statements.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Program Services						Total Program Services	Supporting Services			Total		
	Liberty & National Security			Communications	Fellows Program	Public Policy & Advocacy		Management And General	Fundraising	Total Supporting Services			
	Democracy	Justice											
Salaries	\$ 8,729,863	\$ 1,861,682	\$ 2,056,188	\$ 4,209,084	\$ 311,274	\$ 321,533	\$ 17,489,624	\$ 3,991,625	\$ 2,506,426	\$ 6,498,051	\$ 23,987,675		
Payroll taxes and benefits	1,916,787	393,148	442,731	957,816	64,564	70,319	3,845,365	972,188	551,105	1,523,293	5,368,658		
Professional services	2,581,527	96,995	82,448	4,146,846	501,917	183,556	7,593,289	1,358,739	695,483	2,054,222	9,647,511		
Sub-grants	316,000	-	-	-	-	-	316,000	-	-	-	316,000		
Occupancy and related interest	2,002,949	428,704	479,398	990,147	161,040	83,475	4,145,713	870,054	588,097	1,458,151	5,603,864		
Office expenses	354,287	65,589	68,690	232,010	24,183	31,796	776,555	878,679	344,102	1,222,781	1,999,336		
Travel and meetings	895,142	117,421	96,233	348,962	54,842	28,210	1,540,810	270,651	69,217	339,868	1,880,678		
Depreciation	468,093	98,586	104,745	237,698	39,532	16,371	965,025	203,668	143,316	346,984	1,312,009		
Total expenses – 2024	17,264,648	3,062,125	3,330,433	11,122,563	1,157,352	735,260	36,672,381	8,545,604	4,897,746	13,443,350	50,115,731		
In-kind services	5,108,105	-	451,369	-	-	-	5,559,474	-	-	-	5,559,474		
Total expenses and in-kind services	<u>\$22,372,753</u>	<u>\$3,062,125</u>	<u>\$3,781,802</u>	<u>\$11,122,563</u>	<u>\$1,157,352</u>	<u>\$735,260</u>	<u>\$42,231,855</u>	<u>\$8,545,604</u>	<u>\$4,897,746</u>	<u>\$13,443,350</u>	<u>\$55,675,205</u>		

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 And 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 25,661,553	\$ 26,275,250
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities</i>		
Depreciation	1,614,104	1,312,009
Loss on disposal of furniture and equipment	-	268,399
Amortization of right-of-use assets	4,835,385	4,462,921
Tenant lease incentive received	-	3,730,705
Operating lease liability payments	(1,854,493)	(3,484,221)
Realized and unrealized gains	(16,585,245)	(18,760,511)
(Increase) decrease in		
Pledges receivable	(750)	(24,500)
Grants receivable	4,509,688	5,060,694
Interest receivable	(131,563)	(61,007)
Other receivable	373,071	(373,071)
Other assets	(278,383)	(232,939)
Increase (decrease) in		
Accounts payable and accrued expenses	81,933	866,598
Deferred revenue	-	(500)
Net cash provided by operating activities	<u>18,225,300</u>	<u>19,039,827</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(83,248,378)	(58,701,519)
Proceeds from sales of investments	75,125,657	52,688,089
Net change in short-term investments	1,883,319	10,436,722
Purchase of leasehold improvements, furniture and equipment	(711,831)	(12,747,604)
Net cash used for investing activities	<u>(6,951,233)</u>	<u>(8,324,312)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of note payable	-	(500,000)
Net cash used for financing activities	<u>-</u>	<u>(500,000)</u>
Net increase in cash and cash equivalents	<u>11,274,067</u>	<u>10,215,515</u>
CASH		
Beginning of year	<u>28,666,021</u>	<u>18,450,506</u>
End of year	<u>\$ 39,940,088</u>	<u>\$ 28,666,021</u>
SUPPLEMENTAL DISCLOSURE		
Interest Paid	<u>\$ -</u>	<u>\$ 5,219</u>

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2025 And 2024

(1) SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

William J. Brennan Jr. Center for Justice, Inc. and Affiliate (collectively the “**Center**”) founded in 1995, is incorporated pursuant to the provisions of the Not-for-Profit law of New York State.

The Center is a public policy institute dedicated to strengthening democracy and securing justice, through law, scholarship, education and advocacy. The Center is independent and nonpartisan. Consistent with the ideals of Supreme Court Justice Brennan, the Center believes that a “living constitution” is the genius of American law and politics – and that the test of our institutions is the ability to apply timeless constitutional values to a changing world.

PRINCIPLES OF CONSOLIDATION

In May 2006, the Brennan Center Strategic Fund, Inc. (the “**Strategic Fund**”) was founded by members of the Board of Trustees of the Center as an organization exempt from Federal income taxes under Internal Revenue Code Section 501(c)(4). The Strategic Fund, Inc. is permitted under applicable income tax regulation to conduct lobbying activities beyond those allowed to Section 501(c)(3) organizations and it is intended to supplement and complement the efforts of the Center, consistent with the Center’s mission. The consolidated financial statements include those of the Center and the Strategic Fund. All inter-company transactions have been eliminated.

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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

The Center regularly maintains deposits in excess of federally insured limits. Accounting Standards Codification (“**ASC**”) 825, “**Financial Instruments**”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

NET ASSETS

A description of the three net asset categories follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing mission of the Center.

Undesignated - include the revenues and expenses associated with the principal mission of the Center.

Board-Designated – includes funds whose use is controlled per resolution of the Board of Directors. See note 7 for additional details on Board Designated net assets.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Center or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts; pledges; and investment returns on “true” endowment funds. Expirations of restrictions of net assets with donor restrictions are reported as net assets released from restriction.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Center, including gifts wherein donors stipulate that the corpus of the gift be held in perpetuity (primarily gifts for endowment) and that only the income be made available for operations or other purposes. See note 7 for additional details on donor restricted net assets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of cash in bank accounts, money market accounts and certificates of deposit which have original maturities of less than three months.

INVESTMENTS

The Center records its investments at fair value with the resulting gains and losses reported in the statement of activities.

FURNITURE AND EQUIPMENT

Property and equipment purchases are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

The depreciable years utilized by major asset categories are as follows:

<u>Description</u>	<u>Year</u>
Leasehold improvements	16
Furniture and equipment	3-16

When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renewals are charged to operations as incurred.

REVENUE RECOGNITION

The Center recognizes contributions as revenue when they are received or unconditionally pledged and records these revenues as without or with donor restrictions support, according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Grants and contributions receivable are reported at their discounted present value, and a provision is made for amounts estimated to be uncollectible.

The Center reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, with donor restricted net assets are reclassified to without donor restrictions net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from donor restrictions.

Fee for service income received for performing legal and other services is recorded when earned. Costs related to such programs and services are expensed as incurred.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

ADVERTISING COSTS

Advertising costs are expensed as incurred.

LEASES

Operating leases are included in operating lease right-of-use (“ROU”) assets and ROU lease liabilities in the statement of financial position. The Organization determines whether an agreement is or contains a lease at lease inception.

ROU assets represent the Center’s right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Center’s leases do not provide an implicit interest rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

INCOME TAXES

The Center is exempt from Federal income taxes under Section 501(c)(3) and the Strategic Fund is exempt from Federal income taxes under Section 501(c)(4), of the Internal Revenue Code. Accordingly, no provision for Federal income tax has been recorded in the consolidated financial statements.

Management has reviewed the tax positions for each of the open fiscal tax years (2022 – 2024) or expected to be taken in the Center’s fiscal 2025 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

COMPARATIVE INFORMATION

The financial statements and financial statement display include certain prior-year summarized comparative information in total but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center’s financial statements for the year ended June 30, 2024, from which the summarized information was derived.

(2) PLEDGES RECEIVABLE

Pledges receivable at June 30, 2025 of \$90,750 and \$90,000 are all due to be received within one year.

(3) GRANTS RECEIVABLE

Grants receivable at June 30, 2025 and 2024 are expected to be realized in the following periods:

	<u>2025</u>	<u>2024</u>
Within one year	\$ 5,451,475	\$ 10,877,584
Between one year and five years	<u>1,850,000</u>	<u>866,725</u>
	7,301,475	11,744,309
Less: Discount to net present value at 4.00% for 2025 and 5.12% for 2024	<u>(151,043)</u>	<u>(84,189)</u>
	<u>\$ 7,150,432</u>	<u>\$ 11,660,120</u>

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

(4) INVESTMENTS

The fair value of investments as of June 30, 2025 and 2024 is as follows:

	<u>2025</u> <u>Market</u>	<u>2024</u> <u>Market</u>
Cash and Cash Equivalents	\$ 1,664,505	\$ 3,547,824
U.S. Government Bonds	19,720,867	18,982,950
Corporate Bonds	77,552,361	66,270,341
Asset Backed Securities	1,038,516	426,272
Exchange Traded Funds	135,365,030	99,079,528
Equities	-	24,629,507
Alternative Investments	<u>6,424,575</u>	<u>6,004,785</u>
Total investments	<u>\$ 241,765,854</u>	<u>\$ 218,941,207</u>

The following table summarizes the Center's investments by fund at June 30:

	<u>2025</u>	<u>2024</u>
Investments		
Inez Milholland Endowment for Democracy	\$ 2,633,767	\$ 2,427,589
Brennan Future Fund	25,000,000	25,000,000
Brennan Legacy Fund	125,000,000	125,000,000
Undesignated	<u>89,132,087</u>	<u>66,513,618</u>
Total investments	<u>\$ 241,765,854</u>	<u>\$ 218,941,207</u>

Total investment return on the Center's investments for 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Interest and dividends, net of fees of \$613,807 and \$519,472 in 2025 and 2024, respectively	\$ 7,058,330	\$ 5,846,899
Realized gains (losses)	6,570,932	(481,309)
Change in unrealized gains	<u>10,014,313</u>	<u>19,241,820</u>
	<u>\$ 23,643,575</u>	<u>\$ 24,607,410</u>

The board of directors has authorized a policy designed to allow growth while providing a predictable flow of support to operations. This policy permits the use of total return at approved spending rates applied to the three-year moving average fair value of the investment pool. The Center did not apply a spending rate during the years ending June 30, 2025 and 2024, however, a distribution of \$10,000,000 was authorized for the build-out leasehold improvements during 2024.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

The Center used various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Center has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Center's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value the Center's investments as of June 30, 2025 and 2024 are as follows:

	2025			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 1,664,505	\$ 1,664,505	\$ -	\$ -
U.S. Government Bonds	19,720,867	-	19,720,867	-
Corporate Bonds	77,552,361	-	77,552,361	-
Asset Backed Securities	1,038,516	-	1,038,516	-
Exchange Traded Funds	<u>135,365,030</u>	<u>135,365,030</u>	<u>-</u>	<u>-</u>
	\$ 235,341,279	<u>\$ 137,029,535</u>	<u>\$ 98,311,744</u>	<u>\$ -</u>
Investments reported as net asset value:				
Alternative investments		<u>6,424,575</u>		
Total Investments		<u>\$ 241,765,854</u>		

	2024			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 3,547,824	\$ 3,547,824	\$ -	\$ -
U.S. Government Bonds	18,982,950	-	18,982,950	-
Corporate Bonds	66,270,341	-	66,270,341	-
Asset Backed Securities	426,272	-	426,272	-
Exchange Traded Funds	99,079,528	99,079,528	-	-
Equities	<u>24,629,507</u>	<u>24,629,507</u>	<u>-</u>	<u>-</u>
	\$ 212,936,422	<u>\$ 127,256,859</u>	<u>\$ 85,679,563</u>	<u>\$ -</u>
Investments reported as net asset value:				
Alternative investments		<u>6,004,785</u>		
Total Investments		<u>\$ 218,941,207</u>		

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

Alternative investments which are measured at Net Asset Value and the investment objective of each holding are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Clover Private Credit Opportunities III LP ^(a)	\$ 315,286	\$ 1,757,214
Brookfield Real Estate Income Trust, Inc. ^(b)	1,858,880	-
KKR Real Estate Select Trust – Class I ^(c)	1,840,550	-
Blackstone Private Credit Fund ^(d)	<u>2,409,859</u>	<u>-</u>
	<u>\$6,424,575</u>	<u>\$ 1,757,214</u>

(a) Clover Private Credit Opportunities III LP is a pooled investment private equity fund with a focus primarily on debt investments that are between \$20 and \$200 million in size and secured by collateral with a target weighted life of 3.5 years or less. The investment team intends to focus on corporate lending and asset finance and seeks to generate 12-14% net, pre-tax returns with a focus on (i) principal protection, (ii) low volatility and (iii) inflation protection. Redemptions are not allowed for five years. There is a five-year investment period, with the first two years being the investment period, the next three years are the harvest period where capital is returned, and funds can be redeemed after five years. There are extension options after five years.

(b) Brookfield Real Estate Income Trust, Inc. is a REIT with an investment strategy to invest in (i) Income-producing real estate: high-quality properties in desirable locations- primarily income-producing U.S. commercial real estate with upside potential through activity asset management; (ii) Real estate-related debt: performing real estate debt, primarily commercial first mortgage and mezzanine loans; and (iii) Real estate-related securities: Real estate-related securities, structured products and cash equivalents for purposes of liquidity management. Redemptions can be requested monthly and require board approval with a maximum redemption of 2% of total NAV per month and 5% of total NAV per quarter of the fund.

(c) KKR Real Estate Select Trust is a REIT with an income-oriented commercial real estate focus. The fund thematically invests in high-quality, stabilized, income-oriented commercial real estate equity and debt primarily in U.S. markets, with the optionality to extend exposures globally into developed Asia and Europe. Redemptions can be requested quarterly and require board approval with a maximum redemption of 5% of total NAV per quarter of the fund.

(d) Blackstone Private Credit Fund's objectives are employing a defensive investment approach focused on long-term credit performance and principal protection, generally investing in loans with asset coverage ratios and interest coverage ratios that provide substantial credit protection; focusing on loans and securities of U.S. private companies, and to a lesser extent European and other non-U.S. companies; maintaining rigorous portfolio monitoring, in an attempt to anticipate and pre-empt negative credit events within the portfolio; and to utilize the power and scale of Blackstone and Blackstone Credit & Insurance platform to offer operational expertise to portfolio companies. Redemptions can be requested quarterly and require board approval with a maximum redemption of 5% of total NAV per quarter of the fund.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO FINANCIAL STATEMENTS - *(Continued)*

June 30, 2025 And 2024

(5) LEASEHOLD IMPROVEMENTS, FURNITURE AND EQUIPMENT

Leasehold improvements, furniture and equipment at June 30, 2025 and 2024 consist of the following:

	2025	2024
Leasehold improvements	\$15,833,768	\$15,604,737
Furniture and equipment	5,369,065	5,070,507
Construction in progress	<u>184,242</u>	<u>-</u>
	21,387,075	20,675,244
Accumulated depreciation	<u>(6,213,363)</u>	<u>(4,599,259)</u>
	<u><u>\$15,173,712</u></u>	<u><u>\$16,075,985</u></u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$1,614,104 and \$1,312,009, respectively.

(6) LINE OF CREDIT

The Center entered into a line of credit with UBS in the amount of \$10,000,000. The line of credit carries a variable interest rate at the prime rate (5.679% and 6.696% at June 30, 2025 and 2024, respectively). The line of credit is secured by the Center's investments. There was no balance outstanding as of June 30, 2025 and 2024. There was no interest expense for the years ended June 30, 2025 and 2024.

(7) NET ASSETS

Net assets without donor restrictions include net assets designated by the Board of Directors as the Brennan Legacy Fund and the Brennan Future Fund. These two special funds are designated by the Board to ensure the ongoing solvency of the Brennan Center and to ensure the organization has sufficient long-term reserves to address potential crisis as well as the ability to rise to take advantage of new, strategic and/or unanticipated opportunities and initiatives. Income earned on each of these funds is undesignated and Board approval is necessary for any withdrawal of funds from the original corpus.

The Brennan Legacy Fund was created in fiscal year 2016. In fiscal year 2020 the Board approved the transfer of funds to have the Brennan Legacy Fund hold \$40,000,000 in net assets. During the year ended June 30, 2021 the Brennan Legacy Fund received a \$50,000,000 contribution and the Board approved an additional transfer of \$10,000,000. In January 2023, the Brennan Legacy Fund received an additional \$25,000,000 bequest. The balance of the Brennan Legacy Fund at June 30, 2025 and 2024 is \$125,000,000.

The Brennan Future Fund was created in fiscal year 2020: in fiscal year 2020, the Board approved a transfer of \$25,000,000 to be included with the Brennan Future Fund. It is intended to be allocated over a flexible five-year period, the timing to be determined during the annual budget process and reviewed by the Board.

Net assets without donor restrictions include: \$125,000,000 in the Brennan Legacy Fund and \$25,000,000 in the Brennan Future Fund at June 30, 2025 and 2024.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

Net assets with donor restrictions as of June 30, 2025 and 2024 are restricted for the following purposes and periods:

	2025	2024
Subject to expenditure over a period of time or for special purpose:		
Unexpended earnings on endowment	\$ 308,265	\$ 244,781
Inez Milholland Endowment for Democracy	2,633,767	2,427,589
Use in future periods		
Democracy Program	3,000,000	3,444,500
Justice Program	150,000	475,000
Southern States Project	22,500,000	25,000,000
State and Federal Courts	13,877,013	20,500,000
General Support	4,116,725	4,825,059
Fellows	35,000	2,110
Endowment – perpetual in nature:		
General operations	<u>200,000</u>	<u>200,000</u>
	<u><u>\$ 46,820,770</u></u>	<u><u>\$ 57,119,039</u></u>

Net assets were released from donor restriction by incurring expenditures satisfying the restricted purpose as follows during the year ended June 30, 2025:

	2025
Democracy Program	\$ 15,287,485
Justice Program	335,407
Liberty Natural Security Program	683,334
Fellows	322,810
DC Program	565,000
State and Federal Courts Work	6,622,987
Southern States Project	2,500,000
Time restrictions released	<u>7,185,419</u>
	<u><u>\$ 33,502,442</u></u>

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

(8) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Center strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects the Center's financial assets as of June 30, 2025 and 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions and/or Board designations.

Financial Assets	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 39,940,088	\$ 28,666,021
Investments	241,765,854	218,941,207
Pledge receivable (net of reserve)	90,750	90,000
Grants receivable (due within one year)	5,451,475	10,877,584
Interest receivable	1,206,296	1,074,733
Other receivable	—	373,071
Total financial assets	288,454,463	260,022,616
Less:		
Board-designated – Brennan Future Fund	(25,000,000)	(25,000,000)
Board-designated – Brennan Legacy Fund	(125,000,000)	(125,000,000)
Net assets with donor restrictions, net of amounts available for general operations within one year	(29,650,000)	(37,700,059)
Financial assets available to meet general expenditures within one year	<u>\$ 108,804,463</u>	<u>\$ 72,322,557</u>

Resources from the Brennan Future Fund and the Brennan Legacy Fund, totaling \$150 million as of June 30, 2025 and 2024, may be available, however any use of these funds are subject to Board approval. The Center also has a \$10,000,000 line of credit available.

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

(9) COMMITMENTS AND CONTINGENCIES

COMMITMENTS

LEASE COMMITMENTS

The Center has various lease agreements for its New York and Washington DC offices, which expire on November 30, 2042, and April 30, 2038, respectively. In connection with these leases, the Center received free rent. Rent is being expended on a straight - line basis over the term of the leases. In July 2022, the Center secured a standby letter of credit in the amount of \$2,775,000 to satisfy the required security deposit for the New York office lease. Rent expense for the years ended June 30, 2025 and 2024 was approximately \$5,088,000 and \$4,827,000, respectively.

In connection with the New York lease agreement the landlord reimbursed the Center \$3,357,635 as a tenant leasehold improvement incentive during 2024. The Center received an additional \$373,071 tenant leasehold improvement incentive during 2025. The Center expects to receive a tenant leasehold improvement incentive of approximately \$3,300,000 related to the Washington DC lease agreement when construction is performed during the fiscal year ending June 30, 2026.

The following is quantitative data related to the Organization's operating leases for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating Lease Amounts:		
Right-of-use asset	\$ 42,553,423	\$ 35,860,362
Lease liability	53,408,672	43,734,689
Other Information:		
Operating outgoing cash flows for operating leases	\$ 1,854,493	\$ 3,484,221
Weighted-average remaining lease term	16.24 years	17.84 years
Weighted-average discount rate	3.25%	3.25%

Lease cost information for the years ended June 30, 2025 and 2024 is as follows:

Operating lease cost	<u>\$ 4,835,385</u>	<u>\$ 4,462,921</u>
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The approximate minimal annual rental payments (excluding utilities, storage, and other such services and fees) under these leases are as follows:

Fiscal Year

2026	\$ 2,326,000
2027	3,443,000
2028	3,834,000
2029	4,260,000
2030	4,291,000
2031 and thereafter	<u>51,980,000</u>
Total undiscounted cash flows	70,134,000
Less: present value adjustment	<u>(16,725,328)</u>
Lease liability	<u>\$ 53,408,672</u>

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

June 30, 2025 And 2024

(10) PENSION PLAN

The Center has a defined contribution 401(k) plan covering substantially all employees with an employer matching requirement. Pension expense for the year ended June 30, 2025 and 2024 were \$1,832,000 and \$1,540,000, respectively.

(11) DONATED SERVICES

The Center quantified the value of donated legal services in support of its program and operations. The fair market value for the years ended June 30, 2025 and 2024 was \$2,888,342 and \$5,559,474, respectively, which is recorded as in-kind services – revenue and expense in the statement of activities.

(12) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, September 30, 2025, have been evaluated in the preparation of the financial statements.

SUPPLEMENTAL INFORMATION

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2025

	William J. Brennan Jr. Center For Justice, Inc.	Brennan Center Strategic Fund, Inc.	Eliminations	Consolidated Balance
Assets				
Cash and cash equivalents	\$ 39,685,772	\$ 254,316	\$ -	\$ 39,940,088
Pledges receivable	90,750	-	-	90,750
Grants receivable	7,150,432	-	-	7,150,432
Interest receivable	1,206,296	-	-	1,206,296
Other assets	1,141,660	(7,303)	(43,367)	1,090,990
Investments	241,765,854	-	-	241,765,854
Right-of-use Asset	42,553,453	-	-	42,553,453
Leasehold improvements, furniture and equipment, net	<u>15,173,712</u>	<u>-</u>	<u>-</u>	<u>15,173,712</u>
	<u>\$ 348,767,929</u>	<u>\$ 247,013</u>	<u>\$ (43,367)</u>	<u>\$ 348,971,575</u>
Liabilities				
Accounts payable and accrued expenses	\$ 3,060,736	\$ 43,367	\$ (43,367)	\$ 3,060,736
Lease liability	<u>53,408,672</u>	<u>-</u>	<u>-</u>	<u>53,408,672</u>
Total liabilities	<u>56,469,408</u>	<u>43,367</u>	<u>(43,367)</u>	<u>56,469,408</u>
Net Assets				
Without donor restrictions	245,477,751	203,646	-	245,681,397
With donor restrictions	<u>46,820,770</u>	<u>-</u>	<u>-</u>	<u>46,820,770</u>
Total net assets	<u>292,298,521</u>	<u>203,646</u>	<u>-</u>	<u>292,502,167</u>
Total Liabilities and Net Assets	<u>\$ 348,767,929</u>	<u>\$ 247,013</u>	<u>\$ (43,367)</u>	<u>\$ 348,971,575</u>

WILLIAM J. BRENNAN JR. CENTER FOR JUSTICE, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2025

	William J. Brennan Jr. Center For Justice, Inc.	Brennan Center Strategic Fund, Inc.	Eliminations	Consolidated Balance
Support and Revenue				
Grants, net	\$ 19,589,301	\$ -	\$ -	\$ 19,589,301
Contributions	39,011,564	-	-	39,011,564
Special events net of direct expenses of \$369,120	<u>977,021</u>	<u>-</u>	<u>-</u>	<u>977,021</u>
Total operating revenue	<u>59,577,886</u>	<u>-</u>	<u>-</u>	<u>59,577,886</u>
In kind services	<u>2,888,342</u>	<u>-</u>	<u>-</u>	<u>2,888,342</u>
Total support and revenue	<u>62,466,228</u>	<u>-</u>	<u>-</u>	<u>62,466,228</u>
Expenses				
Salaries	28,452,334	-	-	28,452,334
Payroll taxes and benefits	6,735,021	-	-	6,735,021
Professional services	10,697,243	-	-	10,697,243
Sub-grants	120,500	-	-	120,500
Occupancy and related interest	5,624,144	109	-	5,624,253
Office expenses	2,366,310	191	-	2,366,501
Travel and meetings	1,919,806	30,146	-	1,949,952
Depreciation	<u>1,614,104</u>	<u>-</u>	<u>-</u>	<u>1,614,104</u>
Total expenses	<u>57,529,462</u>	<u>30,446</u>	<u>-</u>	<u>57,559,908</u>
In kind services	<u>2,888,342</u>	<u>-</u>	<u>-</u>	<u>2,888,342</u>
Total expenses	<u>60,417,804</u>	<u>30,446</u>	<u>-</u>	<u>60,448,250</u>
Excess of revenue over expense	2,048,424	(30,446)	-	2,017,978
Other Changes				
Investment total return	<u>23,641,816</u>	<u>1,759</u>	<u>-</u>	<u>23,643,575</u>
Changes in net assets	<u>25,690,240</u>	<u>(28,687)</u>	<u>-</u>	<u>25,661,553</u>
Net Assets				
Beginning of period	<u>266,608,281</u>	<u>232,333</u>	<u>-</u>	<u>266,840,614</u>
End of period	<u>\$292,298,521</u>	<u>\$203,646</u>	<u>\$ -</u>	<u>\$292,502,167</u>