

ONEJUSTICE

FINANCIAL STATEMENTS

JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
OneJustice

Opinion

We have audited the accompanying financial statements of OneJustice (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2022, 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 OneJustice as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OneJustice 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 OneJustice's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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.

INDEPENDENT AUDITORS' REPORT

continued

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 OneJustice'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 OneJustice'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.

Other Matter

Report on Summarized Comparative Information

We have previously audited OneJustice's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 8, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harrington Group

Oakland, California
February 15, 2023

ONEJUSTICE

STATEMENT OF FINANCIAL POSITION

June 30, 2022

With comparative totals at June 30, 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 2,036,871	\$ 1,867,172
Accounts receivable (Note 2)	380,450	205,529
Pledges receivable (Note 4)	752,211	512,030
Prepaid expenses	30,744	23,929
Property and equipment (Note 5)	-	-
TOTAL ASSETS	<u><u>\$ 3,200,276</u></u>	<u><u>\$ 2,608,660</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 49,805	\$ 91,844
Accrued liabilities (Note 6)	287,066	212,315
Deferred revenue	101,991	111,581
Paycheck protection program loan (Note 7)	-	375,012
TOTAL LIABILITIES	<u>438,862</u>	<u>790,752</u>
NET ASSETS		
Without donor restrictions	814,873	542,213
Without donor restrictions - board designated (Note 11)	232,463	232,463
With donor restrictions (Note 10)	<u>1,714,078</u>	<u>1,043,232</u>
TOTAL NET ASSETS	<u>2,761,414</u>	<u>1,817,908</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,200,276</u></u>	<u><u>\$ 2,608,660</u></u>

The accompanying notes are an integral part of these financial statements.

ONEJUSTICE

STATEMENT OF ACTIVITIES
For the year ended June 30, 2022
With comparative totals for the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	2022	2021
REVENUE AND SUPPORT				
Grants	\$ 510,912	\$ 1,727,044	\$ 2,237,956	\$ 1,491,908
Special event - net of expenses of \$102,987	416,960		416,960	407,496
Paycheck protection program loan forgiveness (Note 7)	257,728		257,728	321,035
Contributions	205,661		205,661	198,156
Other income	152,672		152,672	43,070
Fee for service contracts	129,630		129,630	87,343
Workshops and conference	129,319		129,319	115,123
In-kind contributions (Notes 2 and 8)	81,660		81,660	1,450
Interest	531		531	671
Net assets released from restrictions (Note 10)	1,056,198	(1,056,198)	-	-
TOTAL REVENUE AND SUPPORT	2,941,271	670,846	3,612,117	2,666,252
EXPENSES				
Program services	1,865,743		1,865,743	1,620,432
Management and general	396,340		396,340	330,476
Fundraising	406,528		406,528	360,118
TOTAL EXPENSES	2,668,611	-	2,668,611	2,311,026
CHANGE IN NET ASSETS	272,660	670,846	943,506	355,226
NET ASSETS, BEGINNING OF YEAR	774,676	1,043,232	1,817,908	1,462,682
NET ASSETS, END OF YEAR	\$ 1,047,336	\$ 1,714,078	\$ 2,761,414	\$ 1,817,908

The accompanying notes are an integral part of these financial statements.

ONEJUSTICE

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

With comparative totals for the year ended June 30, 2021

	Program Services		Total Program Services	Support Services		Total Support Services	Total Expenses	
	Healthy Nonprofits	Pro Bono Justice		Management and General	Fundraising		2022	2021
Salaries	\$ 430,371	\$ 549,472	\$ 979,843	\$ 199,489	\$ 158,986	\$ 358,475	\$ 1,338,318	\$ 1,214,095
Employee benefits	62,784	76,655	139,439	21,535	24,218	45,753	185,192	187,725
Payroll taxes	44,855	55,889	100,744	16,480	17,778	34,258	135,002	99,125
Total personnel cost	<u>538,010</u>	<u>682,016</u>	<u>1,220,026</u>	<u>237,504</u>	<u>200,982</u>	<u>438,486</u>	<u>1,658,512</u>	<u>1,500,945</u>
Contracted services	100,827	225,511	326,338	96,117	46,284	142,401	468,739	312,003
Rent	101,800	130,520	232,320	46,111	46,284	92,395	324,715	309,051
In-kind contributions			-		81,660	81,660	81,660	1,450
Telephone and online	16,787	25,352	42,139	5,854	15,916	21,770	63,909	54,042
Dues and fees	6,859	3,616	10,475	4,799	9,083	13,882	24,357	21,671
Travel and training	6,860	3,464	10,324	335	1,044	1,379	11,703	5,270
Insurance	3,269	4,199	7,468	1,222	1,321	2,543	10,011	10,989
Supplies, postage, and printing	5,067	616	5,683	829	2,171	3,000	8,683	10,371
Meals and entertainment	2,624	3,193	5,817	894	1,092	1,986	7,803	1,560
Repair and maintenance	945	1,197	2,142	328	403	731	2,873	36,800
Library	2,656		2,656			-	2,656	170
Advertising	105		105	1,560	10	1,570	1,675	230
Meetings		250	250	411		411	661	477
Miscellaneous			-	376	278	654	654	45,997
TOTAL 2022 FUNCTIONAL EXPENSES	<u>\$ 785,809</u>	<u>\$1,079,934</u>	<u>\$ 1,865,743</u>	<u>\$ 396,340</u>	<u>\$ 406,528</u>	<u>\$ 802,868</u>	<u>\$ 2,668,611</u>	
TOTAL 2021 FUNCTIONAL EXPENSES	<u>\$ 684,295</u>	<u>\$ 936,137</u>	<u>\$ 1,620,432</u>	<u>\$ 330,476</u>	<u>\$ 360,118</u>	<u>\$ 690,594</u>		<u>\$ 2,311,026</u>

The accompanying notes are an integral part of these financial statements.

ONEJUSTICE

STATEMENT OF CASH FLOWS

For the year ended June 30, 2022

With comparative totals for the year ended June 30, 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS TO OPERATING:		
Change in net assets	\$ 943,506	\$ 355,226
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Paycheck protection program loan - forgiveness	(255,008)	(318,408)
(Increase) decrease in operating assets:		
Accounts receivable	(174,921)	218,694
Pledges receivable	(240,181)	37,970
Prepaid expenses	(6,815)	86,718
Increase (decrease) in operating liabilities:		
Accounts payable	(42,039)	46,227
Accrued liabilities	74,751	41,609
Deferred revenue	(9,590)	11,952
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>289,703</u>	<u>479,988</u>
CASH FLOWS (TO) FROM FINANCING ACTIVITIES:		
Paycheck protection program loan - proceeds	-	375,012
Paycheck protection program loan - repayment	(120,004)	(56,592)
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(120,004)</u>	<u>318,420</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	169,699	798,408
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,867,172</u>	<u>1,068,764</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,036,871</u>	<u>\$ 1,867,172</u>

The accompanying notes are an integral part of these financial statements.

ONEJUSTICE

NOTES TO FINANCIAL STATEMENTS

1. Organization

Mission

OneJustice has been working since 1979 to expand the legal help available to low-income Californians. OneJustice's mission is to strengthen the legal services sector's expertise and capacity to advance justice and equity.

The Need

Millions of Californians face legal barriers to basic life necessities and experience needless suffering from solvable legal problems. While California has a strong statewide network of legal services nonprofits that provide free legal help to those in need, there are simply not adequate resources—including attorneys—to meet the overwhelming need for assistance.

Nature of Activities

OneJustice's primary audiences are legal services organizations and the pro bono community. Over 500,000 individuals each year receive essential help from the legal services organizations and volunteers supported by OneJustice.

OneJustice achieves its mission through four activities:

- equipping the legal services sector with the skills and tools needed to maximize its impact,
- equipping the legal services sector with the skills and tools needed to maximize its impact,
- championing a robust, reliable flow of resources into legal services,
- convening the legal services sector to harness the sector's wisdom and collective power, and
- analyzing information and sharing insights about systemic trends and challenges.

OneJustice is focused on achieving these key outcomes:

- the legal services sector leadership is visionary, strategic, and diverse,
- the legal services sector is well resourced,
- legal services sector resources are well managed and strategically deployed, and
- the legal services sector mobilizes around collective problems and opportunities.

Pro Bono Justice: Partnering with the private sector to reach those in need

While there are hundreds of legal services nonprofits across California that provide a safety net for low-income people, too often those in need slip through the cracks because these nonprofits are stretched too thin. OneJustice's Pro Bono Justice program addresses this lack of resources by expanding volunteerism in the legal community, working with law schools, law firms, corporate legal departments, and nonprofit legal organizations.

1. **Organization**, continued

Healthy Nonprofits: Increasing service availability through nonprofit strength

Where the boards and executive directors of legal services nonprofits were once able to get by with reliable streams of government funding, these nonprofits now face significant shifts in the broader environment and their historical business models. These nonprofits and their leaders need a new set of skills around effective fundraising, marketing, strategic planning, program evaluation, and board development. OneJustice's Healthy Nonprofits program provides training, coaching, and consulting to boards, executives, and senior management to build the leadership and management skills they need to survive and thrive in the increasingly complex nonprofit sector.

2. **Summary of Significant Accounting Policies**

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without Donor Restrictions. Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for future program expansion and organizational growth.

With Donor Restrictions. Net assets are subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

ONEJUSTICE

NOTES TO FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

OneJustice has defined cash and cash equivalents as cash in banks and certificates of deposits with an original maturity of nine months or less.

Accounts Receivable

Accounts receivable includes outstanding contracts and grants receivable. No allowance for doubtful accounts has been provided as they are all deemed fully collectible.

Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years 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 discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. OneJustice reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Concentration of Credit Risks

OneJustice places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. OneJustice has not incurred losses related to these investments.

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

OneJustice is required to measure non-cash contributions at fair value. The specific techniques used to measure fair value for this financial statement element is described in the notes below that relate to the element.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year.

continued

2. Summary of Significant Accounting Policies, continued

In-Kind Contributions

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value on a non-recurring basis in the period received (see Note 8).

A number of unpaid volunteers have made contributions of their time to OneJustice. However, the value of these services is not reflected in these statements because the criterion for recognition has not been satisfied.

Functional Allocation of Expenses

Costs of providing OneJustice's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. OneJustice uses the salaries expense related to each functional category to allocate indirect costs.

Income Taxes

OneJustice is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by OneJustice in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. OneJustice's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Revenue and Revenue Recognition

OneJustice recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

A portion of OneJustice's revenue is derived from state contracts and grants, which are conditioned upon performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when OneJustice has incurred expenditures in compliance with specific contract or grant provisions. Amounts received before incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. As of June 30, 2022, OneJustice has recognized \$101,991 of government contracts and grants as deferred revenue pending qualifying expenditures in fiscal year 2021-2022.

2. Summary of Significant Accounting Policies, continued**Recently Adopted Accounting Pronouncement**

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU clarifies the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items, to increase transparency and comparability surrounding contributed nonfinancial assets through enhancements to presentation and disclosure. The ASU requires to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, include in disclosures a disaggregation of the amount of contributed nonfinancial assets by category, for each category, additional qualitative disclosures. The update does not change existing recognition and measurement requirements for contributed nonfinancial assets. The ASU is effective for fiscal years beginning after June 15, 2021. OneJustice financial statements for the year ended June 30, 2022, are presented in accordance with ASU 2020-07.

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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with OneJustice's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events through February 15, 2023, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

ONEJUSTICE

NOTES TO FINANCIAL STATEMENTS

3. Liquidity and Availability of Resources

OneJustice receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs that are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. OneJustice manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. OneJustice targets a year-end balance of reserves that can meet at least 4 months of expected expenditures. To achieve this target, OneJustice regularly forecasts its fiscal-year finance performance and carefully monitors its cash flows, liquidity, and reserves.

Cash and cash equivalents	\$ 2,036,871
Accounts receivable	380,450
Pledges receivable	<u>752,211</u>
Total financial assets at year-end	3,169,532
Less: cash and pledges with donor restrictions	<u>(1,714,078)</u>
Assets available to meet general expenditures within one year	<u>\$ 1,455,454</u>

4. Pledges Receivable

Pledges receivable are recorded as support when pledged unless designated otherwise. Management deemed pledges collectible, accordingly no allowance for doubtful accounts has been established for uncollectible pledges. Additionally, all pledges are valued at the estimated fair present value at June 30, 2022. Discount on pledges receivable is immaterial, accordingly unamortized discount on pledges receivable is not recorded. Total amount of pledges receivable at June 30, 2022 of \$752,211 is expected to be collected as follows:

<u>Year ending June 30,</u>	
2023	\$404,863
2024	<u>347,348</u>
	<u>\$752,211</u>

5. Property and Equipment

Property and equipment at June 30, 2022 consist of the following:

Furniture and equipment	\$ 16,847
Less: accumulated depreciation	<u>(16,847)</u>
	<u>\$ -</u>

No depreciation expense was recorded during the year, as all furniture and equipment were fully depreciated.

continued

ONEJUSTICE

NOTES TO FINANCIAL STATEMENTS

6. Accrued Liabilities

Accrued liabilities at June 30, 2022 consist of the following:

Accrued salaries	\$107,088
Accrued vacation	88,605
Other accrued expenses	<u>91,373</u>
	<u>\$287,066</u>

7. Paycheck Protection Program Loan

In April 2020, OneJustice received loan proceeds in the amount of \$375,000 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business.

The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months.

In February 2021, \$318,408 and \$2,627 of principal and interest, respectively, were forgiven by the Small Business Administration (“SBA”). OneJustice paid the remaining balance of \$56,592 and \$603 in principal and interest, respectively, in May 2021.

OneJustice received a second PPP loan of \$375,012 in February 2021. The forgiveness terms of the second PPP loan are the same as the first loan. In March, 18, 2022, \$255,008 and \$2,720 of principal and interest, respectively, were forgiven by the SBA. OneJustice paid the remaining balance of \$120,004 and \$1,297 in principal and interest, respectively, in May 2022. No outstanding balance at June 30, 2022.

The SBA reserves the right to review any loan in their discretion and the SBA will review any loan over \$2 million. Areas of review include eligibility, necessity, calculation of the loan amount, use of loan proceeds, and the calculation of the loan forgiveness amount. PPP loan documentation should be retained for six years after the date the loan is forgiven or repaid in full.

ONEJUSTICE

NOTES TO FINANCIAL STATEMENTS

8. Fair Value Measurements

The table below presents transactions measured at fair value on a non-recurring basis during the year ended June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
In-kind contributions	\$ -	\$81,660	\$ -	\$ 81,660
Pledge contributions – current year			<u>752,211</u>	<u>752,211</u>
	<u>\$ -</u>	<u>\$81,660</u>	<u>\$752,211</u>	<u>\$429,008</u>

During the year ended June 30, 2022, OneJustice received \$81,660 in in-kind contributions, without donor restriction, which were valued at an estimated fair market.

The fair value of in-kind contributions has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

The fair value of pledge contributions – current year has been measured on a non-recurring basis using the value provided by the donor at the date of pledges and based on evaluating the credit worthiness of the donor (Level 3 inputs).

9. Commitments and Contingencies

Obligations Under Operating Leases

OneJustice leases various facilities under operating leases with various terms. Future minimum payments by year and in the aggregate, under these leases with initial or remaining terms of one year or more, consist of the following:

<u>Year ending June 30,</u>	
2023	\$305,762
2024	148,137
2025	64,032
2026	65,953
2027	<u>50,569</u>
	<u>\$634,453</u>

Rent expense under operating leases for the year ended June 30, 2022 was \$324,715.

continued

ONEJUSTICE

NOTES TO FINANCIAL STATEMENTS

10. Net Assets With Donor Restrictions

Net assets with purpose restrictions as of June 30, 2022 consist of the following:

Pro Bono Justice	\$ 645,995
Healthy Nonprofits	660,583
General Support	<u>407,500</u>
	<u>\$1,714,078</u>

For the year ended June 30, 2022, net assets released from time and purpose restrictions were \$1,056,198.

11. Board Designated Net Assets

OneJustice received a Cy Pres award of \$400,000 in October 2009. The OneJustice Board of Directors approved the use of \$55,533 of the award in fiscal year 2009-2010 and designated the remaining funds of \$344,467 for future program expansion and organizational growth. The Board approved the use of \$43,000 for program expansion in fiscal year 2010-2011 and the use of \$69,004 for organizational growth in fiscal year 2011-2012, ending with a remaining balance of \$232,463. The Board did not project the need for the use of any board designated funds for program expansion in fiscal year 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, and 2020-2021, and therefore did not approve the use of any funds in those fiscal years.