

**ONEJUSTICE**



**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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## INDEPENDENT AUDITORS' REPORT

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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, 2023, 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, 2023, 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 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.

## INDEPENDENT AUDITORS' REPORT

continued

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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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harrington Group*

Oakland, California  
February 15, 2024

# ONEJUSTICE

## STATEMENT OF FINANCIAL POSITION

June 30, 2023

With comparative totals at June 30, 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 2,200,493	\$ 2,036,871
Accounts receivable (Note 3)	278,180	380,450
Pledges receivable (Note 4)	1,152,453	752,211
Prepaid expenses	53,909	30,744
Right-of-use asset - operating leases (Note 7)	186,038	-
	<u>3,871,073</u>	<u>3,200,276</u>
<b>TOTAL ASSETS</b>	<b>\$ 3,871,073</b>	<b>\$ 3,200,276</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 79,178	\$ 49,805
Accrued liabilities (Note 5)	330,606	287,066
Deferred revenue	106,050	101,991
Lease liability - operating leases (Note 7)	188,896	-
	<u>704,730</u>	<u>438,862</u>
<b>TOTAL LIABILITIES</b>	<b>704,730</b>	<b>438,862</b>
<b>NET ASSETS</b>		
Without donor restrictions	899,351	814,873
Without donor restrictions - board designated (Note 9)	232,463	232,463
With donor restrictions (Note 8)	2,034,529	1,714,078
	<u>3,166,343</u>	<u>2,761,414</u>
<b>TOTAL NET ASSETS</b>	<b>3,166,343</b>	<b>2,761,414</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,871,073</b>	<b>\$ 3,200,276</b>

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

# ONEJUSTICE

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

With comparative totals for the year ended June 30, 2022

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE AND SUPPORT</b>				
Grants	\$ 669,063	\$ 1,621,494	\$ 2,290,557	\$ 2,237,956
Special event - net of expenses of \$45,846	370,509		370,509	416,960
Paycheck protection program loan forgiveness			-	257,728
Other income	139,793		139,793	152,672
Contributions	137,459		137,459	205,661
Workshops and conference	126,807		126,807	129,319
Fee for service contracts	103,675		103,675	129,630
In-kind contributions (Notes 2 and 6)	19,114		19,114	81,660
Interest	9,423		9,423	531
Net assets released from restrictions (Note 8)	1,301,043	(1,301,043)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>2,876,886</b>	<b>320,451</b>	<b>3,197,337</b>	<b>3,612,117</b>
<b>EXPENSES</b>				
Program services	2,179,122		2,179,122	1,865,743
Management and general	332,423		332,423	396,340
Fundraising	280,863		280,863	406,528
<b>TOTAL EXPENSES</b>	<b>2,792,408</b>	<b>-</b>	<b>2,792,408</b>	<b>2,668,611</b>
<b>CHANGE IN NET ASSETS</b>	<b>84,478</b>	<b>320,451</b>	<b>404,929</b>	<b>943,506</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,047,336</b>	<b>1,714,078</b>	<b>2,761,414</b>	<b>1,817,908</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 1,131,814</b>	<b>\$ 2,034,529</b>	<b>\$ 3,166,343</b>	<b>\$ 2,761,414</b>

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

# ONEJUSTICE

## STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

With comparative totals for the year ended June 30, 2022

	Program Services		Total Program Services	Support Services		Total Support Services	Total Expenses	
	Healthy Nonprofits	Pro Bono Justice		Management and General	Fundraising		2023	2022
Salaries	\$ 531,475	\$ 715,543	\$ 1,247,018	\$ 185,573	\$ 166,686	\$ 352,259	<b>\$ 1,599,277</b>	\$ 1,338,318
Employee benefits	69,219	100,638	169,857	11,773	20,914	32,687	<b>202,544</b>	185,192
Payroll taxes	42,073	54,020	96,093	16,195	14,215	30,410	<b>126,503</b>	135,002
Total personnel cost	<u>642,767</u>	<u>870,201</u>	<u>1,512,968</u>	<u>213,541</u>	<u>201,815</u>	<u>415,356</u>	<b><u>1,928,324</u></b>	<u>1,658,512</u>
Contracted services	61,958	213,274	275,232	89,639	18,169	107,808	<b>383,040</b>	468,739
Rent	123,255	176,148	299,403	15,816	15,024	30,840	<b>330,243</b>	324,715
Travel and training	17,090	14,283	31,373	3,280	3,170	6,450	<b>37,823</b>	11,703
Telephone and online	9,336	9,567	18,903	2,309	13,908	16,217	<b>35,120</b>	63,909
In-kind contributions			-		19,114	19,114	<b>19,114</b>	81,660
Dues and fees	5,401	3,837	9,238	1,151	4,503	5,654	<b>14,892</b>	24,357
Repair and maintenance	3,626	5,267	8,893	1,942	1,091	3,033	<b>11,926</b>	2,873
Insurance	3,382	4,621	8,003	1,807	1,079	2,886	<b>10,889</b>	10,011
Meals and entertainment	4,052	3,577	7,629	2,027	760	2,787	<b>10,416</b>	7,803
Supplies, postage, and printing	1,302	1,493	2,795	748	1,657	2,405	<b>5,200</b>	8,683
Meetings		2,630	2,630			270	<b>2,900</b>	661
Miscellaneous	486	654	1,140	24	156	180	<b>1,320</b>	654
Library	760	16	776	6	4	10	<b>786</b>	2,656
Advertising	61	78	139	133	143	276	<b>415</b>	1,675
<b>TOTAL 2023 FUNCTIONAL EXPENSES</b>	<b><u>\$ 873,476</u></b>	<b><u>\$1,305,646</u></b>	<b><u>\$ 2,179,122</u></b>	<b><u>\$ 332,423</u></b>	<b><u>\$ 280,863</u></b>	<b><u>\$ 613,286</u></b>	<b><u>\$ 2,792,408</u></b>	
<b>TOTAL 2022 FUNCTIONAL EXPENSES</b>	<b><u>\$ 785,809</u></b>	<b><u>\$ 1,079,934</u></b>	<b><u>\$ 1,865,743</u></b>	<b><u>\$ 396,340</u></b>	<b><u>\$ 406,528</u></b>	<b><u>\$ 802,868</u></b>		<b><u>\$ 2,668,611</u></b>

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

# ONEJUSTICE

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2023

With comparative totals for the year ended June 30, 2022

	2023	2022
<b>CASH FLOWS TO OPERATING:</b>		
Change in net assets	\$ 404,929	\$ 943,506
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Paycheck protection program loan - forgiveness	-	(255,008)
(Increase) decrease in operating assets:		
Accounts receivable	102,270	(174,921)
Pledges receivable	(400,242)	(240,181)
Prepaid expenses	(23,165)	(6,815)
Amortization of right-of-use assets, operating leases	56,922	-
Reduction of lease liability, operating leases	(54,064)	-
Increase (decrease) in operating liabilities:		
Accounts payable	29,373	(42,039)
Accrued liabilities	43,540	74,751
Deferred revenue	4,059	(9,590)
	<b>163,622</b>	<b>289,703</b>
<b>CASH FLOWS (TO) FROM FINANCING ACTIVITIES:</b>		
Paycheck protection program loan - repayment	-	(120,004)
	<b>-</b>	<b>(120,004)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>163,622</b>	<b>169,699</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,036,871</b>	<b>1,867,172</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 2,200,493</b>	<b>\$ 2,036,871</b>
<b>NON-CASH FINANCING AND OPERATING ACTIVITIES:</b>		
Right-of-use assets/liabilities from adoption of ASC 842	<b>\$ 242,960</b>	<b>\$ -</b>

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



# ONEJUSTICE

## NOTES TO FINANCIAL STATEMENTS

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### 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,
- 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

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### 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 management believes they are 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 6).

A number of unpaid volunteers have made contributions of their time to OneJustice. However, the value of these services is not reflected in these financial 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, 2023, OneJustice has recognized \$106,050 of government contracts and grants as deferred revenue pending qualifying expenditures in fiscal year 2023-2024.

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

OneJustice adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize leases on the Statement of Financial Position and disclose key information about leasing arrangements effective June 30, 2023. OneJustice elected not to restate the comparative period (Fiscal year 2022). OneJustice also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, OneJustice recognized Right-of-Use (“ROU”) assets of \$242,960 and lease liabilities totaling \$242,960 in its Statement of Financial Position beginning July 1, 2022. The discount rate used to record the ROU asset and lease liability at the transition date of July 1, 2022, was 2.88%. The adoption did not result in a significant effect on amounts reported in the Statement of Activities for the year ended June 30, 2023.

**Leases**

OneJustice applies Accounting Standards Codification (“ASC”) 842, *Leases*, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant, or equipment for a period of time in excess of twelve months in exchange for consideration. OneJustice defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. OneJustice further determined some existing leases are operating leases, which are included in ROU assets and lease liabilities in the Statement of Financial Position.

**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, 2022, from which the summarized information was derived.

**Subsequent Events**

Management has evaluated subsequent events through February 15, 2024 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

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### 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	\$ 2,200,493
Accounts receivable	278,180
Pledges receivable	<u>1,152,453</u>
Total financial assets at year-end	3,631,126
Less: cash and pledges with donor restrictions	<u>(2,034,529)</u>
Assets available to meet general expenditures within one year	<u>\$ 1,596,597</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, 2023. Discount on pledges receivable is immaterial, accordingly unamortized discount on pledges receivable is not recorded. Total amount of pledges receivable at June 30, 2023 of \$1,152,453 is expected to be collected as follows:

<u>Year ending June 30,</u>	
2024	\$ 902,453
2025	<u>250,000</u>
	<u>\$1,152,453</u>

### 5. Accrued Liabilities

Accrued liabilities at June 30, 2023 consist of the following:

Accrued salaries	\$114,199
Accrued vacation	103,879
Other accrued expenses	<u>112,528</u>
	<u>\$330,606</u>

continued

# ONEJUSTICE

## NOTES TO FINANCIAL STATEMENTS

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### 6. Fair Value Measurements

The table below presents transactions measured at fair value on a non-recurring basis during the year ended June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
In-kind contributions	\$ -	\$19,114	\$ -	\$ 19,114
Pledge contributions – current year	<u>          </u>	<u>          </u>	<u>1,152,453</u>	<u>1,152,453</u>
	<u>\$ -</u>	<u>\$19,114</u>	<u>\$1,152,453</u>	<u>\$1,171,567</u>

During the year ended June 30, 2023, OneJustice received \$19,114 in in-kind contributions, without donor restriction, which were valued at an estimated fair market. Onejustice used in-kind contribution for fundraising events.

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).

### 7. Right-of-Use Asset and Liability - Operating Leases

OneJustice evaluated current contracts to determine which met the criteria of a lease. The ROU assets represent OneJustice’s right to use underlying assets for the lease term, and the lease liabilities represent OneJustice’s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. OneJustice has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2023, was 2.88%.

OneJustice’s operating leases consist primarily of real estate for office space.

For the year ended June 30, 2023, total short-term operating lease cost was \$63,215. As of June 30, 2023, the weighted-average remaining lease term for OneJustice’s operating leases was approximately 37 months.

continued

# ONEJUSTICE

## NOTES TO FINANCIAL STATEMENTS

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### 7. Right-of-Use Asset and Liability - Operating Leases, continued

Cash paid for operating leases for the year ended June 30, 2023 was \$330,243. There were no noncash investing and financing transactions related to leasing.

<u>Year ending June 30,</u>	
2024	\$ 62,167
2025	62,321
2026	62,475
2027	62,630
Less: Present value discount	<u>(60,697)</u>
	<u>\$188,896</u>

The underlying ROU asset related to the above liability is as follows:

ROU asset balance at July 1, 2022	\$242,960
Less: amortization of lease	<u>(56,922)</u>
ROU asset balance at June 31, 2023	<u>\$186,038</u>

#### *Sublease income:*

During the year ended June 30, 2023, sublease revenue was \$134,787 which is included in the Statement of Activities. The present value of the expected sublease income for 2025 through 2027 was not calculated as OneJustice concluded that calculated sublease income were not material to the financial statements to disclose at fiscal year ended June 30, 2023.

Future minimum sublease income are as follows:

<u>Year ending June 30,</u>	
2024	\$ 28,963
2025	39,824
2026	43,445
2027	<u>14,482</u>
	<u>\$126,714</u>

continued



# ONEJUSTICE

## NOTES TO FINANCIAL STATEMENTS

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### 8. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30, 2023 consist of the following:

Pro Bono Justice	\$1,271,084
Healthy Nonprofits	595,945
General Support	<u>167,500</u>
	<u>\$2,034,529</u>

For the year ended June 30, 2023, net assets released from time and purpose restrictions were \$1,301,043.

### 9. 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, 2020-2021, 2021-2022, and 2022-2023 and therefore did not approve the use of any funds in those fiscal years.