MUELLER & CO., LLP

Certified Public Accountants – Business & Financial Advisors

ASSURANCE

ASCEND JUSTICE

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

MUELLER

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ascend Justice
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Ascend Justice (formerly known as Domestic Violence Legal Clinic), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ascend Justice (formerly known as Domestic Violence Legal Clinic), as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 of the financial statements, for the year ended June 30, 2020, Ascend Justice adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and Accounting Standards Update No. 2018-08, *Not-for –Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

As discussed in Note 12 of the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Mueller & Co., LLP

Chicago, Illinois
December 22, 2020

ASCEND JUSTICE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2020

ASSETS

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Assets:				
Cash and cash equivalents	$	414,088	200,000	614,088
Grants receivable		183,674	220,200	403,874
Prepaid expenses		12,901	-	12,901
Investments		3,910	-	3,910
	$	614,573	420,200	1,034,773

LIABILITIES AND NET ASSETS

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Liabilities:				
Accounts payable and accrued liabilities	$	58,967	-	58,967
Paycheck Protection Program loan		80,000	-	80,000
		138,967	-	138,967
Net assets:				
Without donor restrictions:				
Undesignated		253,093	-	253,093
Board-designated - operating		202,513	-	202,513
Board-designated - savings		20,000	-	20,000
Total without donor restrictions		475,606	-	475,606
With donor restrictions -		-	420,200	420,200
Total net assets		475,606	420,200	895,806
Total liabilities and net assets	$	614,573	420,200	1,034,773

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

ASCEND JUSTICE

STATEMENT OF FINANCIAL POSITION - RESTATED

JUNE 30, 2019

ASSETS

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Assets:				
Cash and cash equivalents	$	304,509	150,000	454,509
Grants receivable		124,607	247,700	372,307
Other receivables		15,913	-	15,913
Prepaid expenses		12,110	-	12,110
Investments		3,954	-	3,954
	$	461,093	397,700	858,793

LIABILITIES AND NET ASSETS

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Liabilities -				
Accounts payable and accrued liabilities	$	23,999	-	23,999
Net assets:				
Without donor restrictions:				
Undesignated		214,581	-	214,581
Board-designated - operating		202,513	-	202,513
Board-designated - savings		20,000	-	20,000
Total without donor restrictions		437,094	-	437,094
With donor restrictions -		-	397,700	397,700
Total net assets		437,094	397,700	834,794
Total liabilities and net assets	$	461,093	397,700	858,793

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

ASCEND JUSTICE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:			
Government grants	$ 1,014,570	-	1,014,570
Contributions	162,335	420,200	582,535
In-kind contributions	639,962	-	639,962
Special events	117,966	-	117,966
Investment loss	(10)	-	(10)
Excess of net assets acquired over consideration paid	21,632	-	21,632
Other income	25,363	-	25,363
Net assets released from restriction	397,700	(397,700)	-
Total support and revenue	2,379,518	22,500	2,402,018
Expenses:			
Program services	1,954,261	-	1,954,261
Management and general	291,272	-	291,272
Fundraising	95,473	-	95,473
Total expenses	2,341,006	-	2,341,006
Change in net assets	38,512	22,500	61,012
Net assets, beginning of year, as restated	437,094	397,700	834,794
Net assets, end of year	$ 475,606	420,200	895,806

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

ASCEND JUSTICE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - RESTATED

YEAR ENDED JUNE 30, 2019

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:			
Government grants	$ 763,484	-	763,484
Contributions	265,707	397,700	663,407
In-kind contributions	522,887	-	522,887
Special events	198,651	-	198,651
Investment income	188	-	188
Other income	20	-	20
Net assets released from restriction	267,500	(267,500)	-
Total support and revenue	2,018,437	130,200	2,148,637
Expenses:			
Program services	1,403,297	-	1,403,297
Management and general	587,831	-	587,831
Fundraising	129,073	-	129,073
Total expenses	2,120,201	-	2,120,201
Change in net assets	(101,764)	130,200	28,436
Net assets, beginning of year	538,858	267,500	806,358
Net assets, end of year, as restated	$ 437,094	397,700	834,794

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

ASCEND JUSTICE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Personnel:				
Salaries and wages	$ 1,004,780	183,891	63,538	1,252,209
Payroll taxes	73,016	13,590	4,913	91,519
Employee benefits	97,288	12,102	4,280	113,670
Total personnel	1,175,084	209,583	72,731	1,457,398
Operations:				
Professional services	10,796	40,827	463	52,086
In-kind donated services	580,758	20,484	-	601,242
Information technology	17,673	1,965	1,798	21,436
Supplies	5,428	697	283	6,408
Postage and delivery	3,404	335	79	3,818
Equipment rental and maintenance	11,613	1,572	687	13,872
Rent	61,894	4,660	-	66,554
Rent in-kind	30,202	5,421	3,097	38,720
Printing and duplication	2,957	343	127	3,427
Travel, meetings and conferences	2,667	293	397	3,357
Dues and memberships	5,233	790	707	6,730
Subscriptions and publications	96	8	-	104
Insurance	26,701	3,094	1,144	30,939
Litigation	8,545	-	-	8,545
Record storage	5,962	691	256	6,909
Special events	-	-	11,779	11,779
Miscellaneous	5,248	509	1,925	7,682
Total operations	779,177	81,689	22,742	883,608
Total expenses	$ 1,954,261	291,272	95,473	2,341,006

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

ASCEND JUSTICE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Personnel:				
Salaries and wages	$ 909,144	132,988	57,777	1,099,909
Payroll taxes	68,174	10,235	4,532	82,941
Employee benefits	81,265	7,897	4,332	93,494
Total personnel	1,058,583	151,120	66,641	1,276,344
Operations:				
Professional services	7,101	87,533	5,453	100,087
In-kind donated services	152,312	331,855	-	484,167
Information technology	20,674	2,061	1,794	24,529
Supplies	8,971	896	374	10,241
Postage and delivery	3,311	289	91	3,691
Equipment rental and maintenance	12,500	1,393	690	14,583
Rent	60,294	3,850	-	64,144
Rent in-kind	30,976	4,646	3,098	38,720
Printing and duplication	1,114	121	56	1,291
Travel, meetings and conferences	3,826	503	266	4,595
Dues and memberships	4,476	362	275	5,113
Subscriptions and publications	291	19	-	310
Insurance	22,462	2,447	1,119	26,028
Litigation	8,562	-	-	8,562
Record storage	3,893	424	193	4,510
Special events	-	-	47,351	47,351
Miscellaneous	3,806	296	1,665	5,767
Depreciation	145	16	7	168
Total operations	344,714	436,711	62,432	843,857
Total expenses	$ 1,403,297	587,831	129,073	2,120,201

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

ASCEND JUSTICE

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

		2020	RESTATED 2019
Cash provided by (applied to) operating activities:			
Change in net assets	$	61,012	28,436
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities:			
Depreciation		-	168
(Gain) loss in fair value of investments		44	(195)
Changes in:			
Grants receivable		(31,567)	(60,322)
Other receivables		15,913	(15,913)
Prepaid expenses		(791)	(1,219)
Accounts payable and accrued liabilities		34,968	2,976
		79,579	(46,069)
Cash provided by financing activities -			
Proceeds from Paycheck Protection Program loan		80,000	-
Net increase (decrease) in cash and cash equivalents		159,579	(46,069)
Cash and cash equivalents, beginning of year		454,509	500,578
Cash and cash equivalents, end of year	$	614,088	454,509

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

NOTE 1 - NATURE OF OPERATIONS

Pro Bono Advocates (PBA) was organized in 1982 as a project by Chicago Lawyers' Committee for Civil Rights Under Law, Inc. to provide free private attorney legal services to economically disadvantaged residents of Cook County. It was incorporated as a not-for-profit corporation on February 16, 1989 under the laws of the State of Illinois and began operations on September 12, 1989. Effective August 10, 2005, PBA changed its name to Domestic Violence Legal Clinic (DVLC). As further discussed in Note 11, on April 2, 2019, DVLC entered into an agreement to acquire the assets of the Family Defense Center (FDC). FDC, based in Chicago, Illinois, was founded in 2005 with the mission of advocating justice for families in the child welfare system. The acquisition was effective July 1, 2019 and upon acquisition, DVLC changed its name to Ascend Justice (Organization).

The Organization's mission is to empower individuals and families impacted by gender-based violence or the child welfare system to achieve safety and stability through holistic legal advocacy and system reform. Through its staff and volunteers, the Organization assists victims of gender-based violence with orders of protection, family law, family defense, immigration, and other related housing and economic cases and relief to help ensure a stable future free from abuse.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable are stated at unpaid balances for grants, less an allowance for doubtful accounts. The Organization provides for losses on grants receivable using the allowance method. The allowance is based on experience, third-party contracts and other circumstances. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. At June 30, 2020 and 2019, the allowance for doubtful accounts was $0.

Office Equipment and Furniture

Office equipment and furniture exceeding $500 are stated at cost if purchased or at fair value at the date of gift, if donated, less accumulated depreciation. Depreciation is charged to expense by use of the straight-line method over a five-year useful life. Depreciation expense of office equipment and furniture charged to operations was $168 for the year ended June 30, 2019. All office equipment and furniture were fully depreciated as of June 30, 2019.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. The Organization classifies its net assets into two categories:

Net Assets Without Donor Restrictions – Net assets without donor restrictions include all of the undesignated support and revenue of the Organization, all of the expenses of the Organization, and transfers from net assets with restrictions for reimbursement of expenditures that meet the restrictions of the donors. The Board of Directors (Board) has designated that certain net assets without donor restrictions be designated for a 60 day operating reserve fund and a savings fund for the second office.

Net Assets With Donor Restrictions – Net assets subject to donor-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. At June 30, 2020 and 2019 there were no donor imposed restrictions that were perpetual in nature.

Changes in Accounting Principle – Revenue from Contracts

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification 605, Revenue Recognition. ASU No. 2014-09 provides for a single five-step model to be applied to all revenue contracts with customers. ASU No. 2014-09 also requires additional financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. In 2020, the Organization adopted ASU No. 2014-09 and has adjusted the presentation in these financial statements accordingly. ASU No. 2014-09 has been applied using the full retrospective method to all periods presented and resulted in no changes to previously reported net assets as there were no significant changes to the way the Organization recognizes revenue.

The Organization also elected to use the portfolio approach practical expedient for special events. The Organization's contracts with customers for special events contain similar terms and as a result, the Organization has elected to apply its revenue recognition policies to a portfolio of contracts with similar characteristics. The Organization does not expect the results of doing so to differ materially from applying the guidance to individual contracts.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Changes in Accounting Principle – Contributions Received and Made

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU No. 2018-08 improves the current guidance on determining whether transactions are contributions or exchange transactions. ASU No. 2018-08 also requires determining if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. In 2020, the Organization adopted ASU No. 2018-08 and has adjusted the presentation in these financial statements accordingly. ASU No. 2018-08 has been applied using the modified prospective method.

Revenue Recognition

Revenue from Contracts with Customers

The Organization derives a portion of its revenue from revenue sources that involve contracts with customers. Those sources include special event revenues which are not considered a contribution and meets the criteria of an exchange transaction. Revenues are recognized when control of these goods or services are transferred to its customers, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The Organization does not have any significant financing components as all payments are received within a year of the services being provided. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year. All contracts contain specified pricing for each performance obligation thus allocation of the transaction price is not necessary.

Revenues from special events consist of a single performance obligation which is satisfied at a point in time. Special events occur at specified dates and revenue is recorded at the time the special event is held.

Promises to Give

Contributions and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor restricted contributions for which restrictions are met in the same accounting period are recorded as net assets without restrictions.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition, Continued

Grant income from conditional grants (those with a measurable performance or other barrier and a right of return) is recognized when the underlying conditions are met. Cash received in advance of these conditions being met is recorded as refundable advances. The Organization reports conditional grants with donor restrictions as increases in net assets without donor restrictions when both the condition and restrictions are satisfied.

As of June 30, 2020, the Organization has been awarded $986,009 from government grants and foundation grants for which the conditions have not been satisfied.

In-kind Contributions

The Organization reports gifts of land, buildings and equipment as support without restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with restriction. Absent explicit donor stipulations about how long those long-lived assets must be maintained; the Organization reports the expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated equipment, furniture, investment securities and other objectively measurable assets received as donations are recognized in the accompanying financial statements at their estimated fair market value at the date they are promised.

A substantial number of volunteers have donated legal services to the Organization's program legal services and fundraising campaigns during the years. Only hours donated for legal services by attorneys are reflected in the financial statements since the services require specialized skills as defined by accounting principles generally accepted in the United States of America.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel expenses, in-kind donated services, information technology, supplies, postage and delivery, equipment rental and maintenance, rent, rent in-kind, printing and duplication, travel, meetings and conferences, dues and memberships, subscriptions and publications, insurance, record storage, miscellaneous and depreciation, which are allocated on the basis of estimates of time and effort.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Organization maintains its cash in bank deposits which, at times, may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash.

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statement of financial position and the liabilities for the obligations under the lease also be recognized on the balance sheet. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the methods of adoption allowed by ASU No. 2016-02 and the effect that ASU No. 2016-02 is expected to have on its financial position, changes in net assets, cash flows and related disclosures.

Going Concern Evaluation

In accordance with accounting principles generally accepted in the United States of America, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Organization’s ability to continue as a going concern for the one-year period from the date the financial statements are available to be issued. Management’s assessment did not identify any other conditions or events raising substantial doubt about the Organization’s ability to continue as a going concern for the period from December 22, 2020 to December 22, 2021.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Subsequent events have been evaluated through December 22, 2020, the date that the financial statements were available for issue.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, as of June 30, 2020 and 2019, comprise the following:

		2020	RESTATED 2019
Financial assets at year-end:			
Cash and cash equivalents	$	614,088	454,509
Grants receivable		403,874	372,307
Other receivables		-	15,913
Investments		3,910	3,954
		1,021,872	846,683
Less: Amounts not available for general expenditures within one year, due to:			
Net assets with purpose restrictions to be met in less than one year		10,000	37,500
Board designated		222,513	222,513
		232,513	260,013
Financial assets available to meet cash needs for general expenditures within one year	$	789,359	586,670

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in savings accounts and mutual funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve and savings, which was $222,513 as of June 30, 2020 and 2019.

The Organization's goal is to maintain available financial assets sufficient to meet 60 days of general operating expenditures.

NOTE 4 - INCOME TAXES

The Organization is exempt from federal income taxes on its charitable purpose related income under Section 501(c)(3) of the Internal Revenue Code (IRC). There is no unrelated business income for the Organization and accordingly, no provision for income taxes has been recorded.

The Organization has adopted accounting principles related to uncertain tax positions and has evaluated its tax position taken for all open tax years. Currently, the 2016, 2017 and 2018 tax years are open and subject to examination by the Internal Revenue Service and the Department of Revenue of certain states; however, the Organization is not currently under audit nor has the Organization been contacted by any of these jurisdictions.

Based on the evaluation of the Organization's tax position, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax position has been recorded for the years ended June 30, 2020 and 2019.

NOTE 5 - MAJOR GRANTORS AND CONTRIBUTORS

The Organization received approximately 32% of their annual grants and contributions from state government agencies for each of the fiscal years ended June 30, 2020 and 2019.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods as of June 30, 2020 and 2019:

		2020	RESTATED 2019
Purpose-restricted funds:			
Emergency Services Division	$	10,000	-
Acquisition of the Family Defense Center (Note 11)		-	37,500
Time-restricted funds:			
Lawyers Trust Fund of Illinois		205,200	170,200
Chicago Bar Foundation		-	40,000
IDA Crown Memorial		50,000	50,000
Polk Bros. Foundation		75,000	65,000
Chicago Foundation for Women		35,000	35,000
Alphawood Foundation		45,000	-
	$	420,200	397,700

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS, CONTINUED

During the years ended June 30, 2020 and 2019, net assets were released from restrictions by incurring expenses satisfying the following restrictions specified by donors and collection of prior period receivables as follows:

	2020	2019
Purpose-restricted funds:		
Operating support	$ -	15,000
Acquisition of the Family Defense Center (Note 11)	37,500	-
Time-restricted funds:		
Lawyers Trust Fund of Illinois	170,200	135,000
Chicago Bar Foundation	40,000	22,500
Illinois Bar Foundation	-	10,000
IDA Crown Memorial	50,000	50,000
Polk Bros. Foundation	65,000	35,000
Chicago Foundation for Women	35,000	-
	$ 397,700	267,500

NOTE 7 - PAYCHECK PROTECTION PROGRAM LOAN

On April 17, 2020 the Organization received a Paycheck Protection Program (PPP) loan in the amount of $80,000 as permitted under the Coronavirus Aid, Relief and Economic Security Act. The Organization is to utilize the PPP loan funds to cover permitted costs such as payroll, rent and utilities over a twenty-four-week period after the loan is made. If the PPP loan is used to cover permitted costs, the Organization can expect the entire balance of the PPP loan to be forgiven after the Small Business Administration (SBA) approves the Organization's request for forgiveness. Any portion of the PPP loan not approved for forgiveness by the SBA is subject to a 1% interest rate with monthly principal and interest payments due starting seven months after receipt of the PPP loan with a maturity date of April 17, 2022.

Since the PPP loan is part of a government loan program, the Organization will recognize income on the statement of activities and changes in net assets only at the time the PPP loan forgiveness is approved by the SBA. The Organization intends to comply with all requirements to qualify for loan forgiveness.

NOTE 8 - FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2020 and 2019.

Mutual Funds: Based on the net asset value of shares at year end.

NOTE 8 - FAIR VALUE MEASUREMENTS, CONTINUED

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2020 and 2019:

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 3,910	-	-	3,910
Total assets at fair value	$ 3,910	-	-	3,910

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 3,954	-	-	3,954
Total assets at fair value	$ 3,954	-	-	3,954

For the years ended June 30, 2020 and 2019, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

NOTE 9 - OPERATING LEASES

Effective October 11, 2005, the Organization occupies space under an operating lease with the County of Cook (County) that expires October 31, 2021. The annual rent is $10. As part of the lease agreement, the Organization also utilizes certain furniture and equipment owned by the County.

Donated rental income for the contributed use of these facilities and the corresponding rent expense of $38,720 for the fair value of the space being utilized are included in the accompanying statements of activities and changes in net assets for the years ended June 30, 2020 and 2019.

Effective August 2017, the Organization entered into an operating lease for office space at a second location. The monthly rent for the period ranges from $5,038 to $5,893 and expires July 2023. Rent expense included in operations under this lease agreement totaled $66,554 and $62,673 for the years ended June 30, 2020 and June 30, 2019, respectively.

NOTE 9 - OPERATING LEASES, CONTINUED

The Organization leases office equipment under leases expiring at various dates throughout September 10, 2023. Rent expense included in operations under this lease agreement totaled $8,602 and $8,720 for the years ended June 30, 2020 and 2019, respectively.

The aggregate future minimum lease commitment on operating leases noted above as of June 30, 2020 is as follows:

2021	$ 69,180
2022	69,674
2023	71,627
2024	5,893

NOTE 10 - BENEFIT PLAN

The Organization established a defined contribution plan (Plan) during October 2017. Substantially all employees of the Organization are eligible to participate in the Plan. The Plan, established under the provisions of Section 401(k) of the IRC, provides, among other things, for the Organization to make discretionary contributions. The Organization did not make contributions to the Plan for the years ended June 30, 2020 and 2019.

NOTE 11 - BUSINESS ACQUISITION

On April 2, 2019, the Organization entered into an agreement to acquire the assets of FDC at no cost to the Organization. The acquisition was effective July 1, 2019 and was accounted for under the acquisition method of accounting, whereby the underlying assets acquired were recorded at their fair value. The acquisition of FDC was necessary to sustain state wide programming of vital family defense services after loss of stability in funding by the FDC in recent years. Control was obtained via an Asset Purchase Agreement and Services Agreement signed by all parties on April 2, 2019. The Organization maintained the status quo of services and internal controls of the FDC from April 2, 2019 until the acquisition became effective July 1, 2019. As a result of the transaction, the Organization recognized a gain on the acquisition of $21,632, which is included in excess of net assets acquired over consideration paid on the accompanying statement of activities and changes in net assets for the year ended June 30, 2020.

NOTE 11 - BUSINESS ACQUISITION, CONTINUED

The following schedule summarizes the fair value of the assets acquired and liabilities assumed:

Cash	$	17,483
Grants receivable		8,738
Prepaid expenses		1,748
Accrued expenses		(6,337)
Total net assets acquired	$	21,632

Additionally, during the year ended June 30, 2019, FDC was awarded a $50,000 grant to assist in covering expenses related to the rebranding of the Organization and FDC subsequent to the acquisition. FDC was awarded the grant, however, Ascend Justice incurred all expenses related to the rebranding, thus, the grant received by the Organization was remitted to the Organization upon receipt of the funds. Included in contributions on the statements of activities and changes in net assets for the year ended June 30, 2019 is $50,000 worth of support received from FDC. The expenses associated with the rebranding are included in professional services on the statement of functional expenses for the year ended June 30, 2019.

NOTE 12 - PRIOR PERIOD RESTATEMENT

Management performed an analysis of revenue during the current year and noted that a grant was not properly recorded in the prior year. This resulted in an adjustment to increase net assets with donor restrictions and grants receivable by $40,000 for the year ended June 30, 2019. This restatement is reflected on the statements of financial position and activities and changes in net assets.

NOTE 13 - COVID-19 IMPACT

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America. The extent of the impact of COVID-19 on the operational and financial performance of the Organization will depend on certain developments, including the duration and spread of the outbreak, impact on the contributors, employees and vendors of the Organization, all of which are uncertain and cannot be predicted, however, as of December 22, 2020, the Organization has not experienced a significant decline in financial performance, in part due to the Paycheck Protection Program loan received (see Note 7) as well as grant funding remaining consistent with prior years.