

Assurance

# ASCEND JUSTICE

Audited Financial Statements

Years Ended June 30, 2022 and 2021

LOCAL  
KNOWLEDGE,  
GLOBAL  
EXPERTISE

**ASCEND JUSTICE  
AUDITED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Ascend Justice

### Opinion

We have audited the accompanying financial statements of Ascend Justice (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ascend Justice as of June 30, 2022 and 2021, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ascend Justice and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Ascend Justice's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

*PKF Mueller*

**ASCEND JUSTICE**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 726,849	723,981
Grants receivable	499,897	337,391
Prepaid expenses	19,150	16,530
Investments	4,349	5,672
Property and equipment, net	<u>25,751</u>	<u>37,179</u>
Total assets	<u>\$ 1,275,996</u>	<u>1,120,753</u>

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable and accrued liabilities	<u>\$ 125,294</u>	<u>58,695</u>
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**Net assets:**

Without donor restrictions:		
Undesignated	463,202	454,458
Board-designated - operating	<u>300,000</u>	<u>250,000</u>
Total without donor restrictions	<u>763,202</u>	<u>704,458</u>
With donor restrictions	<u>387,500</u>	<u>357,600</u>
Total net assets	<u>1,150,702</u>	<u>1,062,058</u>
Total liabilities and net assets	<u>\$ 1,275,996</u>	<u>1,120,753</u>

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

**ASCEND JUSTICE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>Support and revenue:</b>			
Government grants	\$ 1,161,859	-	1,161,859
Contributions	408,954	530,000	938,954
In-kind contributions	434,975	-	434,975
Special events	176,991	-	176,991
Investment loss	(1,315)	-	(1,315)
Other income	4,178	-	4,178
Net assets released from restrictions	<u>500,100</u>	<u>(500,100)</u>	<u>-</u>
Total support and revenue	<u>2,685,742</u>	<u>29,900</u>	<u>2,715,642</u>
<b>Expenses:</b>			
Program services	2,160,679	-	2,160,679
Management and general	324,103	-	324,103
Fundraising	<u>142,216</u>	<u>-</u>	<u>142,216</u>
Total expenses	<u>2,626,998</u>	<u>-</u>	<u>2,626,998</u>
Change in net assets	58,744	29,900	88,644
Net assets, beginning of year	<u>704,458</u>	<u>357,600</u>	<u>1,062,058</u>
Net assets, end of year	<u>\$ 763,202</u>	<u>387,500</u>	<u>1,150,702</u>

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

**ASCEND JUSTICE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>Support and revenue:</b>			
Government grants	\$ 1,105,095	-	1,105,095
Contributions	250,816	372,600	623,416
In-kind contributions	443,957	-	443,957
Special events	160,808	-	160,808
Investment income	1,772	-	1,772
Forgiveness of Paycheck Protection Program loan	80,000	-	80,000
Other income	7,808	-	7,808
Net assets released from restrictions	<u>435,200</u>	<u>(435,200)</u>	<u>-</u>
Total support and revenue	<u>2,485,456</u>	<u>(62,600)</u>	<u>2,422,856</u>
<b>Expenses:</b>			
Program services	1,858,323	-	1,858,323
Management and general	276,606	-	276,606
Fundraising	<u>121,675</u>	<u>-</u>	<u>121,675</u>
Total expenses	<u>2,256,604</u>	<u>-</u>	<u>2,256,604</u>
Change in net assets	228,852	(62,600)	166,252
Net assets, beginning of year	<u>475,606</u>	<u>420,200</u>	<u>895,806</u>
Net assets, end of year	<u>\$ 704,458</u>	<u>357,600</u>	<u>1,062,058</u>

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

**ASCEND JUSTICE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2022**

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
<b>Personnel:</b>				
Salaries and wages	\$ 1,192,308	218,551	60,365	1,471,224
Payroll taxes	89,416	17,184	4,746	111,346
Employee benefits	<u>120,388</u>	<u>20,221</u>	<u>4,781</u>	<u>145,390</u>
Total personnel	<u>1,402,112</u>	<u>255,956</u>	<u>69,892</u>	<u>1,727,960</u>
<b>Operations:</b>				
Professional services	37,345	28,825	4,687	70,857
In-kind donated services	396,255	-	-	396,255
Information technology	18,847	2,379	1,967	23,193
Supplies	5,797	751	387	6,935
Postage and delivery	4,135	463	213	4,811
Equipment rental and maintenance	17,599	2,841	1,467	21,907
Rent	64,375	5,598	-	69,973
Rent in-kind	26,148	8,019	4,553	38,720
Printing and duplication	1,012	133	60	1,205
Travel, meetings, and conferences	2,584	338	154	3,076
Dues and memberships	7,963	1,436	899	10,298
Subscriptions and publications	559	74	33	666
Insurance	27,026	3,539	1,608	32,173
Litigation	19,289	-	-	19,289
Record storage	5,956	780	354	7,090
Special events	-	-	53,225	53,225
Depreciation	10,866	1,423	647	12,936
Miscellaneous	6,634	387	2,070	9,091
Grants	<u>106,177</u>	<u>11,161</u>	<u>-</u>	<u>117,338</u>
Total operations	<u>758,567</u>	<u>68,147</u>	<u>72,324</u>	<u>899,038</u>
Total expenses	<u>\$ 2,160,679</u>	<u>324,103</u>	<u>142,216</u>	<u>2,626,998</u>

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



**ASCEND JUSTICE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
<b>Personnel:</b>				
Salaries and wages	\$ 1,069,321	187,318	65,499	1,322,138
Payroll taxes	79,186	14,105	5,013	98,304
Employee benefits	<u>98,926</u>	<u>15,778</u>	<u>4,226</u>	<u>118,930</u>
Total personnel	<u>1,247,433</u>	<u>217,201</u>	<u>74,738</u>	<u>1,539,372</u>
<b>Operations:</b>				
Professional services	14,367	31,169	695	46,231
In-kind donated services	400,444	4,793	-	405,237
Information technology	21,970	2,784	1,951	26,705
Supplies	5,052	567	131	5,750
Postage and delivery	3,810	482	163	4,455
Equipment rental and maintenance	11,325	1,727	760	13,812
Rent	62,469	5,434	-	67,903
Rent in-kind	29,621	5,808	3,291	38,720
Printing and duplication	240	31	12	283
Travel, meetings, and conferences	2,229	308	108	2,645
Dues and memberships	6,253	749	714	7,716
Subscriptions and publications	135	18	7	160
Insurance	25,745	3,370	1,245	30,360
Litigation	9,860	-	-	9,860
Record storage	10,864	1,422	525	12,811
Special events	-	-	35,230	35,230
Depreciation	2,671	350	129	3,150
Miscellaneous	<u>3,835</u>	<u>393</u>	<u>1,976</u>	<u>6,204</u>
Total operations	<u>610,890</u>	<u>59,405</u>	<u>46,937</u>	<u>717,232</u>
Total expenses	<u>\$ 1,858,323</u>	<u>276,606</u>	<u>121,675</u>	<u>2,256,604</u>

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

**ASCEND JUSTICE**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>Cash provided by operating activities:</b>		
Change in net assets	\$ 88,644	166,252
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,936	3,150
Net unrealized (gain) loss on investments	1,323	(1,762)
Forgiveness of Paycheck Protection Program loan	-	(80,000)
Changes in:		
Grants receivable	(162,506)	66,483
Prepaid expenses	(2,620)	(3,629)
Accounts payable and accrued liabilities	66,599	(272)
Net cash provided by operating activities	4,376	150,222
<b>Cash used by investing activities:</b>		
Purchases of property and equipment	(1,508)	(40,329)
<b>Cash provided (used) by financing activities:</b>		
Proceeds from line of credit	-	40,329
Payments on line of credit	-	(40,329)
Net cash provided by financing activities	-	-
Net increase in cash and cash equivalents	2,868	109,893
Cash and cash equivalents, beginning of year	723,981	614,088
Cash and cash equivalents, end of year	\$ 726,849	723,981
<b>Noncash financing transaction:</b>		
Forgiveness of Paycheck Protection Program loan	\$ -	80,000

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

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**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). 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**

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (U.S. GAAP).

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 uncollectible promises to give. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2022 and 2021, an allowance for uncollectible promises to give was not deemed necessary.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Property and Equipment**

Property and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. The Organization capitalizes property and equipment over \$500 that have a useful life of more than one year. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Office furniture and equipment	3 - 5 years
Computer equipment	3 - 5 years

**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:

*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 of the Organization (Board) has designated that certain net assets without donor restrictions be designated for a 60 day operating reserve fund.

*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. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. 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 statements of activities as net assets released from restrictions. At June 30, 2022 and 2021, there were no donor imposed restrictions that were perpetual in nature.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Revenue and 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 services is transferred to its customers in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those 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.

*Performance Obligations*

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*

The Organization 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 substantially 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.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and foundation grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenditures. At June 30, 2022 and 2021, the Organization has been awarded approximately \$1,270,000 and \$917,000, respectively, from cost-reimbursable federal and state contracts and foundation grants for which the conditions have not been satisfied. No amounts have been received in advance under the federal and state contracts and foundation grants.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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 U.S. GAAP.

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.

Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

Concentration of Credit Risk

The Organization maintains its cash balances in financial institutions in the United States of America. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times the Organization's cash deposits may exceed the FDIC limit. The Organization believes it is not exposed to any significant risks.

Change in Accounting Principles – Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets. The ASU improves financial reporting by providing new presentation and disclosure requirements, including presenting contributed nonfinancial assets (in-kind contributions) as a separate line item in the statements of activities apart from contributions of cash and other financial assets. The ASU also requires additional qualitative and quantitative disclosures about the nature, amount, restrictions, and policies surrounding the contributed nonfinancial assets. For the year ended June 30, 2022, the Organization adopted the ASU on a retrospective basis and has adjusted the presentation in these financial statements accordingly.

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The FASB also subsequently issued additional ASUs, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases in the statements of financial position. The ASUs are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the methods of adoption allowed and the effect that adoption is expected to have on its financial position, changes in net assets, cash flows, and related disclosures.

Management Evaluation of Going Concern

In accordance with U.S. GAAP, 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 were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Organization's ability to continue as a going concern for the period from December 19, 2022 to December 19, 2023.

Subsequent Events

Subsequent events have been evaluated through December 19, 2022, the date that the financial statements were available to be issued.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 3 - LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 726,849	723,981
Grants receivable	499,897	337,391
Investments	<u>4,349</u>	<u>5,672</u>
Total financial assets	<u>1,231,095</u>	<u>1,067,044</u>
Less: amounts not available for general expenditures within one year, due to:		
Donor-restricted for a specific purpose	100,000	70,000
Board designated	<u>300,000</u>	<u>250,000</u>
Total amounts not available for general expenditures within one year	<u>400,000</u>	<u>320,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 831,095</u>	<u>747,044</u>

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 \$300,000 and \$250,000 as of June 30, 2022 and 2021, respectively.

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

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Office furniture and equipment	\$ 2,660	2,660
Computer equipment	<u>51,380</u>	<u>49,872</u>
	54,040	52,532
Less accumulated depreciation	<u>( 28,289)</u>	<u>( 15,353)</u>
	<u>\$ 25,751</u>	<u>37,179</u>

Depreciation expense charged to operations was \$12,936 and \$3,150 for the years ended June 30, 2022 and 2021, respectively.



**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 5 - LINE OF CREDIT**

During the year ended June 30, 2021, the Organization entered into a \$50,000 line of credit. The line of credit carried interest at a variable margin, plus the prime rate (3.25% at June 30, 2021). The line of credit was closed in July 2021. No balance was owed as of June 30, 2021 under this line of credit agreement.

**NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN**

On April 17, 2020, the Organization received loan proceeds in the amount of \$80,000 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). PPP loans and accrued interest are forgivable to the extent the criteria established in the CARES Act are met. The Organization applied for and received forgiveness of the full proceeds plus interest of the PPP loan during the year ended June 30, 2021.

**NOTE 7 - INCOME TAXES**

The Organization has been determined to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

The Organization has evaluated the tax positions taken for all open tax years. Currently, the returns for the prior three fiscal 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 these jurisdictions.

Based on the evaluation of the Organization's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2022 and 2021.

**NOTE 8 - MAJOR GRANTORS AND CONTRIBUTORS**

The Organization received approximately 30% and 35% of its annual grants and contributions from two state government grants during the years ended June 30, 2022 and 2021, respectively.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Purpose-restricted funds:		
Emergency Services Division	\$ -	10,000
Incarcerated Survivors Program	60,000	60,000
Family Defense Program	15,000	-
Domestic Violence Co-Location Program	25,000	-
Time-restricted funds:		
Lawyers Trust Fund of Illinois	112,500	102,600
IDA Crown Memorial	65,000	65,000
Polk Bros. Foundation	75,000	75,000
Chicago Foundation for Women	-	30,000
Alphawood Foundation	-	15,000
American Bar Endowment	25,000	-
Illinois Bar Foundation	10,000	-
	<u>\$ 387,500</u>	<u>357,600</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Purpose-restricted funds:		
Emergency Services Division	\$ 10,000	10,000
Incarcerated Survivors Program	90,000	30,000
Time-restricted funds:		
Lawyers Trust Fund of Illinois	215,100	205,200
IDA Crown Foundation	65,000	50,000
Polk Bros. Foundation	75,000	75,000
Chicago Foundation for Women	30,000	35,000
Alphawood Foundation	15,000	30,000
	<u>\$ 500,100</u>	<u>435,200</u>

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 10 - FAIR VALUE MEASUREMENTS**

Accounting standards 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 management 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, 2022 and 2021.

Mutual funds: Valued at the closing price as reported on the active market on which the individual securities are traded.

The methodology 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 management believes its valuation methods are 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.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 10 - FAIR VALUE MEASUREMENTS, CONTINUED**

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022 and 2021:

	<b>Assets at Fair Value as of June 30, 2022</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 4,349	-	-	4,349
Total assets in the fair value hierarchy	<u>\$ 4,349</u>	<u>-</u>	<u>-</u>	<u>4,349</u>

	<b>Assets at Fair Value as of June 30, 2021</b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 5,672	-	-	5,672
Total assets in the fair value hierarchy	<u>\$ 5,672</u>	<u>-</u>	<u>-</u>	<u>5,672</u>

For the years ended June 30, 2022 and 2021, there were no significant transfers into or out of Level 3.

**NOTE 11 - OPERATING LEASES**

The Organization occupies space under an operating lease with Cook County (County) that expires October 31, 2026. 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 in-kind contributions in the accompanying statements of activities for the years ended June 30, 2022 and 2021.

During 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 \$69,973 and \$67,903 for the years ended June 30, 2022 and 2021, respectively.

The Organization leases office equipment under leases expiring at various dates through October 2026. Rent expense included in operations under this lease agreement totaled \$9,624 and \$4,669 for the years ended June 30, 2022 and 2021, respectively.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 11 - OPERATING LEASES, CONTINUED**

The aggregate future minimum lease commitment on these leases as of June 30, 2022 is as follows:

2023	\$	78,920
2024		11,788
2025		1,472
2026		1,032

**NOTE 12 - 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 Internal Revenue Code (IRC), provides, among other things, for the Organization to make discretionary contributions. The Organization did not make contributions to the Plan during the years ended June 30, 2022 and 2021.

**NOTE 13 - IN-KIND CONTRIBUTIONS**

The Organization received the following in-kind contributions of services and facilities for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Legal services	\$ 396,255	405,237
Office space	<u>38,720</u>	<u>38,720</u>
Total in-kind contributions	<u>\$ 434,975</u>	<u>443,957</u>

The Organization was provided legal services at no cost. Based on current market rates for legal services, the Organization would have paid \$396,255 and \$405,237 for the years ended June 30, 2022 and 2021, respectively.

As detailed in Note 11, the Organization utilizes donated office space. The office space is provided at an annual cost of \$10. Based on current market rates for rental facilities, the Organization would have paid \$38,720 for the years ended June 30, 2022 and 2021.

All in-kind contributions received by the Organization for the years ended June 30, 2022 and 2021 were considered to be without donor restrictions and are able to be used by the Organization as determined by the board of directors and management.

**ASCEND JUSTICE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

**NOTE 14 - IMPACT OF COVID-19**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout parts of the world. To date, the impact on the Organization's operations and results has not been significant and management expects this to remain the case. Management continues to actively monitor the global situation in order to mitigate any potential future impact on the Organization's changes in net assets and financial performance.

**NOTE 15 - CONTINGENCY**

The \$80,000 PPP loan and its forgiveness are subject to examination under the terms of the agreement with the Small Business Administration for a period of six years from the date the PPP loan is forgiven, which was April 2021. The Organization is not currently under examination nor has the Organization been contacted.