

Avenues for Justice, Inc.

Audited Financial Statements

December 31, 2024

Avenues for Justice, Inc.

Audited Financial Statements

December 31, 2024

C O N T E N T S

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-17

Independent Auditor's Report

To the Board of Directors of
Avenues for Justice, Inc.

Opinion

We have audited the accompanying financial statements of Avenues for Justice, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sax LLP

New York, NY
July 21, 2025

Avenues for Justice, Inc.

Statement of Financial Position

As of December 31, 2024
(With comparative totals as of December 31, 2023)

	December 31,	
	2024	2023
ASSETS		
Cash and cash equivalents	\$ 448,028	\$ 695,179
Investments	3,722,178	1,772,359
Contributions and grants receivable	839,758	1,451,841
Prepaid expenses and other assets	79,911	50,727
Property and equipment, net	124,969	137,412
Operating lease-right-of-use asset	293,201	360,857
TOTAL ASSETS	\$ 5,508,045	\$ 4,468,375
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 96,591	\$ 73,117
Operating lease liabilities	299,717	361,378
Total liabilities	396,308	434,495
NET ASSETS		
Without donor restrictions	4,844,237	3,186,880
With donor restrictions	267,500	847,000
Total net assets	5,111,737	4,033,880
TOTAL LIABILITIES AND NET ASSETS	\$ 5,508,045	\$ 4,468,375

The attached notes and auditor's report are an integral part of these financial statements.

Avenues for Justice, Inc.

Statement of Activities

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	Total 12/31/24	Total 12/31/23
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 3,067,931	\$ 67,500	\$ 3,135,431	\$ 2,660,468
Government grants	282,441	-	282,441	357,605
Special event income (net of expenses with a direct benefit to donors)	366,055	-	366,055	373,466
In-kind donations	20,880	-	20,880	21,080
Interest and dividends	142,778	-	142,778	56,668
Net assets released from restrictions	647,000	(647,000)	-	-
Total public support and revenue	4,527,085	(579,500)	3,947,585	3,469,287
EXPENSES				
Program services:				
Court advocacy	1,805,932	-	1,805,932	1,382,799
Community services	544,480	-	544,480	557,900
Total program services	2,350,412	-	2,350,412	1,940,699
Supporting services:				
Management and general	364,620	-	364,620	258,665
Fundraising	196,717	-	196,717	184,285
Total supporting services	561,337	-	561,337	442,950
Total expenses	2,911,749	-	2,911,749	2,383,649
Change in net assets from operations	1,615,336	(579,500)	1,035,836	1,085,638
NON-OPERATING ACTIVITY				
Investment return	42,021	-	42,021	40,873
Total non-operating activity	42,021	-	42,021	40,873
Change in net assets	1,657,357	(579,500)	1,077,857	1,126,511
NET ASSETS, <i>beginning of year</i>	3,186,880	847,000	4,033,880	2,907,369
NET ASSETS, <i>end of year</i>	\$ 4,844,237	\$ 267,500	\$ 5,111,737	\$ 4,033,880

The attached notes and auditor's report are an integral part of these financial statements.

Avenues for Justice, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	Program Services			Supporting Services					
	Court Advocacy	Community Services	Total Program Services	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total Supporting Services	Total Expenses 12/31/24	Total Expenses 12/31/2023*
Salaries	\$ 877,194	\$ 258,895	\$ 1,136,089	\$ 86,661	\$ -	\$ -	\$ 86,661	\$ 1,222,750	\$ 975,419
Payroll taxes and employee benefits	254,165	75,015	329,180	25,110	-	-	25,110	354,290	291,234
Total salaries and related expenses	1,131,359	333,910	1,465,269	111,771	-	-	111,771	1,577,040	1,266,653
Direct assistance to clients	397,689	-	397,689	-	-	-	-	397,689	263,517
Professional fees	51,320	-	51,320	141,220	148,998	-	290,218	341,538	299,987
Supplies	24,219	9,776	33,995	4,505	-	-	4,505	38,500	28,926
Occupancy	-	103,110	103,110	27,644	-	-	27,644	130,754	108,561
In-kind occupancy	14,979	4,421	19,400	1,480	-	-	1,480	20,880	21,080
Telephone	54,566	-	54,566	6,063	-	-	6,063	60,629	41,200
Postage and printing	11,797	7,160	18,957	3,152	525	-	3,677	22,634	19,479
Travel and conferences	4,274	-	4,274	-	163	-	163	4,437	4,677
Insurance	21,153	45,831	66,984	3,525	-	-	3,525	70,509	69,176
Repairs and maintenance	82,583	3,054	85,637	-	-	-	-	85,637	103,013
Event expenses	-	-	-	-	-	189,315	189,315	189,315	182,638
Depreciation	10,634	37,218	47,852	5,317	-	-	5,317	53,169	65,029
Office expenses	-	-	-	34,453	-	-	34,453	34,453	33,046
Advertising and promotion	-	-	-	24,131	47,031	-	71,162	71,162	55,427
Other expenses	1,359	-	1,359	1,359	-	-	1,359	2,718	3,878
Total expenses	1,805,932	544,480	2,350,412	364,620	196,717	189,315	750,652	3,101,064	2,566,287
Less: cost of direct benefit to donors netted with revenue	-	-	-	-	-	(189,315)	(189,315)	(189,315)	(182,638)
Total expenses	\$ 1,805,932	\$ 544,480	\$ 2,350,412	\$ 364,620	\$ 196,717	\$ -	\$ 561,337	\$ 2,911,749	\$ 2,383,649

* - Reclassified for comparative purposes

The attached notes and auditor's report are an integral part of these financial statements.

Avenues for Justice, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2024
(With comparative totals for the year ended December 31, 2023)

	December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,077,857	\$ 1,126,511
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	53,169	65,029
Net realized and unrealized gain on investments	(42,021)	(40,873)
Change in operating lease right-of-use asset and liability	5,995	(6,152)
Changes in assets and liabilities:		
Contributions and grants receivable	612,083	(1,077,105)
Prepaid expenses and other assets	(29,184)	(480)
Accounts payable and accrued expenses	23,474	(15,411)
Total adjustments	623,516	(1,074,992)
Net cash provided by operating activities	1,701,373	51,519
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(40,726)	(23,420)
Purchases of investments	(2,212,892)	(2,583,780)
Proceeds from sales of investments	305,094	2,517,941
Net cash used for investing activities	(1,948,524)	(89,259)
Net decrease in cash and cash equivalents	(247,151)	(37,740)
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	695,179	732,919
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 448,028	\$ 695,179
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest and taxes paid	\$ -	\$ -
Non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ -	\$ 366,402

The attached notes and auditor's report are an integral part of these financial statements.

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 1 - Nature of the Organization

Avenues for Justice (the "Organization") was co-founded by Lower East Side residents, Robert Siegal and Angel Rodriguez, and incorporated in 1979. During the 1980's, the Organization (then known as the Andrew Glover Youth Program) collaborated with (ret.) Hon. Judge Michael Corriero to launch the Youth Part model in Manhattan's Supreme Court. A model now used nationwide, the Youth Part is where adolescents are tried separately from adults and promotes alternative to incarceration services. Throughout the Organization's 45-year history, the Organization has maintained low recidivism rates: 94% of the Organization's court-involved Participants are not reconvicted of a new crime within 3 years of enrolling in our program.

Who We Serve

The Organization serves two main groups of Participants, ages 13 to 24, throughout NYC at the Organization's Manhattan courthouse offices and on a hybrid platform online and onsite at the Organization's two community centers in Harlem and the Lower East Side: 1) "Court-Involved" Participants, which includes those who have active legal proceedings, are diversion (younger participants referred by NYC Family Court for shorter mandates), are formerly incarcerated, or are in the process of re-entry from a detention center; and 2) "At-Risk" Participants who are at-risk of involvement with the criminal justice system or who receive short-term assistance or referrals to third party specialists better suited to meet their needs. All Participants receive HIRE UP services which include job readiness with certifications and workforce development, educational services, teen advocacy and empowerment, digital and financial literacy, legal rights and responsibilities, and mental and physical health wellness care.

100% of the Organization's Participants and their families are Low Income at or below 80% AMI. Participants come from underserved communities with 43% of Participants relying on food stamps, 28% relying on public assistance/welfare, 47% in households which receive Medicaid, and 16% who need to re-enter high school or take equivalency studies.

Program Locations

The Organization serves youth across New York City both online and also onsite at Community Centers in underserved areas in New York City where many Participants live, providing community-based safe spaces for services. Many of the Organization's Court Advocates are life-long residents of those very communities and know them well, including how to enlist local volunteers, businesses, and resources to support the Organization's Participants. In turn, the communities know and trust the Organization with their young people.

- **#1 Location type: Headquarters inside Courthouse**
Services: Intake Assessment, Legal and Court Proceedings, Diversion and Court Advocacy, and Case Management
Address: Manhattan Criminal Court, 100 Centre Street, Room 1541, New York, NY 10013
- **#2 Location type: Community Youth Center**
Services: 1) HIRE UP programs for job training, certifications education, mentoring, mental health, socializing, and client welfare services for court-involved and at-risk youth; 2) Short-term assistance for walk-ins from the community.

Address: 100 Avenue B (co-named Avenues for Justice Way), New York, NY 10009

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 1 - Nature of the Organization - Continued

Program Locations - Continued

- **#3 Location type: Community Youth Center**
Services: Services: 1) HIRE UP programs for job training, certifications education, mentoring, mental health, socializing, and client welfare services for court-involved and at-risk youth; 2) Short-term assistance for walk-ins from the community.
Address: 69 East 130 St. (bet Madison & Park), Second Floor, New York, NY 10037
- **#4 Location type: Co-working spaces for program and development staff**
Services: Case management, staff development and trainings
Address: Cubico, 433 Broadway, New York, NY 10013

Programs

Court Advocacy: By basing our headquarters inside the Manhattan Criminal Courthouse, staff can respond quickly when youth and young adults enter for a court date, assess their needs prior to trial and advocate to a judge that they be mandated to the Organization's services instead of detention or prison. Participants are then assigned to one of the Organization's Community Centers in Harlem or the Lower East Side for our wraparound HIRE UP services, which are also available online via a hybrid platform. Court Advocates stay on call 24/7 to mentor both the Participants and their families, and handle crises as they arise. The Court Advocate collaborates with each Participant to co-create a comprehensive Individual Action Plan. The Individual Action Plan does not address a crime. It addresses a person with a specific set of needs, risks, and strengths and, therefore, is more likely to succeed in preventing future crime and changing behavior than a uniform approach. Further, when possible, the Individual Action Plan addresses and enlists the Participant's family as well.

Wraparound HIRE UP Services: At the Organization's community centers, and also online, Participants access mentoring, case management, and workshops for digital literacy with certification, OSHA construction safety, job readiness and financial literacy led by Corporate partners, Legal Rights and Responsibilities to help them avoid re-arrests, mental health wellness that includes Art Therapy and both group and individual sessions, and communications training in social media, videography, and other media. The Organization also works with Participants to assist them with re-enrolling and graduating from school, matching them up with our bank of 60 volunteers, including tutors.

The Organization is a not-for-profit organization and has been notified by the Internal Revenue Service ("IRS") that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and has not been determined to be a private foundation as defined in Section 509(a). The Organization's main sources of revenue are contributions, special event income, and government grants.

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 - *Presentation of Financial Statements of Not-For-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the passage of time or satisfaction of the restricted purposes specified by the donor.

b. Revenue Recognition

The Organization follows the requirements of FASB ASC 958-605 - *Revenue Recognition* for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. When a 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. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Government grants received by the Organization are conditional, non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue.

Government grants and contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or releases from obligations, and are recognized as income once the conditions have been substantially met. As of December 31, 2024 and 2023, conditional grants that have not been recognized amounted to \$17,536 and \$87,052, respectively, which is conditioned upon incurring qualifying expenses and conducting programmatic activity.

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

b. Revenue Recognition - Continued

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value, which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations. Contributions and grants receivable are reviewed for collectability. The Organization has not established a reserve for uncollectible contributions and grants receivable because all receivables are considered to be fully collectible based on specific analysis and historical experience. At December 31, 2024, all contributions and grants receivable are due within one year.

Special event income is comprised of payments received from third parties to support and/or attend fundraising events. Special event income includes an exchange transaction component for the value of the goods and services rendered, which follows revenue recognition guidance under FASB ASC 606 - *Revenue from Contracts with Customers*. The amount paid by third parties that is above the value of goods or services is considered a contribution. Revenue is recognized at the time the fundraising event occurs.

c. Cash and Cash Equivalents

All highly liquid financial instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents for purposes of the accompanying statement of financial position and cash flows.

d. Investments and Investment Income

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Donated securities are recorded at fair value on the date of the gift and, except as otherwise required by the donor, are immediately sold by the Organization. Since it is the Organization's policy to sell the donated securities upon receipt, the contributions are classified as operating activities in the statement of cash flows unless the donor restricts the use of the contributed resources to long-term purposes, in which case those cash receipts are classified as cash flows from financing activities.

Realized and unrealized gains and losses, net of investment fees, are included in income on the statement of activities.

e. Property and Equipment

Property and equipment that the Organization retains title to that exceed a dollar threshold of \$1,000, and which benefit future periods are capitalized at cost or at the fair value at the date of the gift, if donated. Maintenance and repairs, which neither materially add to the value of the asset nor appreciably prolong its life, are charged to expenses as incurred.

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

e. Property and Equipment - Continued

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Building - 40 years
Building improvements - 20 years
Equipment - 3 to 6 years
Leasehold improvement - 4 years

f. Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

g. In-kind Donations

Donated services are recognized in circumstances when they create or enhance nonfinancial assets or where those services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer considerable time and perform a variety of services that assist the Organization. These services have not been recorded in the financial statements because they do not meet the criteria for recognition as outlined above.

h. Comparative Financial Information

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. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

i. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 2 - Summary of Significant Accounting Policies - Continued

i. Functional Allocation of Expenses - Continued

The following costs are allocated based on time and effort as a basis:

- Salaries
- Payroll taxes and employee benefits
- Occupancy
- In-kind occupancy
- Supplies
- Telephone
- Postage and printing
- Repairs and maintenance
- Insurance
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

j. Advertising Costs

Advertising costs are expensed as incurred.

k. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Non-operating activities are limited to realized and unrealized gains/(losses) on investments net of investment fees.

l. Management Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

m. Contingencies

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be reported in the period notified.

n. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2021 and later are subject to examination by applicable taxing authorities.

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 3 - Investments

Accounting standards have established a fair value hierarchy that gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1- Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2- Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3- Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following summarizes the composition of investments:

	December 31, 2024		
	Level 1	Level 2	Total
Cash and cash equivalents	\$ 1,038,648	\$ -	\$ 1,038,648
Mutual funds	547,689	-	547,689
U.S. Treasury notes and bonds	-	2,135,841	2,135,841
Total	<u>\$ 1,586,337</u>	<u>\$ 2,135,841</u>	<u>\$ 3,722,178</u>

	December 31, 2023		
	Level 1	Level 2	Total
Cash and cash equivalents	\$ 1,156,554	\$ -	\$ 1,156,554
Mutual funds	427,979	-	427,979
U.S. Treasury notes and bonds	-	187,826	187,826
Total	<u>\$ 1,584,533</u>	<u>\$ 187,826</u>	<u>\$ 1,772,359</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Level 2 securities are valued using observable market inputs for the securities that are similar to those owned. These methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The following summarizes investment income:

	December 31,	
	2024	2023
Realized and unrealized gain on investments	\$ 50,152	\$ 45,137
Investment fees	(8,131)	(4,264)
Total investment return, net	<u>\$ 42,021</u>	<u>\$ 40,873</u>

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 4 - Property and Equipment

Property and equipment consist of:

	December 31,	
	2024	2023
Land	\$ 20,000	\$ 20,000
Building	301,211	301,211
Building improvements	464,644	464,644
Equipment	210,606	192,839
Leasehold improvements	498,988	476,029
	<u>1,495,449</u>	<u>1,454,723</u>
Less: accumulated depreciation and amortization	(1,370,480)	(1,317,311)
Total property and equipment, net	<u>\$ 124,969</u>	<u>\$ 137,412</u>

Note 5 - Operating Lease Right-of-Use Asset and Operating Lease Liability

The Organization evaluated current contracts to determine which met the criteria of a lease. The Organization leases office space in New York, NY under a noncancelable lease. This lease is a five-year lease with an effective date of December 1, 2023. The lease expires on November 30, 2028 and has been determined to be an operating lease. The lease does not include any extension options.

The ROU assets represent the Organization's right to use the underlying asset for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization 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 December 31, 2024 and 2023 was 4.14%. As of December 31, 2024 and 2023, the weighted average remaining lease term for the Organization's operating lease was approximately 3.92 and 4.92 years, respectively.

For the years ended December 31, 2024 and 2023, total operating lease cost was \$81,245 and \$64,078, respectively, and cash paid for operating leases totaled \$75,250 and \$70,231, respectively.

The future payments due under the operating lease as of December 31, 2024 are as follows:

Year ending:		
	December 31, 2025	\$ 78,260
	December 31, 2026	81,390
	December 31, 2027	84,646
	December 31, 2028	<u>80,428</u>
Total		324,724
Less: present value discount		(25,007)
Total		<u>\$ 299,717</u>

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 6 - Net Assets with Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

December 31, 2024				
	Balance 1/1/24	Contributions	Released from Restrictions	Balance 12/31/24
Program restrictions:				
HIRE UP	\$ 200,000	\$ -	\$ (200,000)	\$ -
Media Organizing Program	70,000	-	(70,000)	-
Services Not Cells	-	20,000	-	20,000
Total program	270,000	20,000	(270,000)	20,000
Time restrictions	577,000	47,500	(377,000)	247,500
Total	<u>\$ 847,000</u>	<u>\$ 67,500</u>	<u>\$ (647,000)</u>	<u>\$ 267,500</u>

December 31, 2023				
	Balance 1/1/23	Contributions	Released from Restrictions	Balance 12/31/23
Program restrictions:				
HIRE UP	\$ 125,563	\$ 437,300	\$ (362,863)	\$ 200,000
Media Organizing Program	3,234	70,000	(3,234)	70,000
Total program	128,797	507,300	(366,097)	270,000
Time restrictions	55,000	577,000	(55,000)	577,000
Total	<u>\$ 183,797</u>	<u>\$ 1,084,300</u>	<u>\$ (421,097)</u>	<u>\$ 847,000</u>

Note 7 - Special Events

The Organization holds several special events annually. A summary of special event income is as follows:

December 31,		
	2024	2023
Event income	\$ 555,370	\$ 556,104
Less: expenses with a direct benefit to donor	(189,315)	(182,638)
	366,055	373,466
Less: other event expenses	(42,661)	(33,099)
Total	<u>\$ 323,394</u>	<u>\$ 340,367</u>

Note 8 - In-Kind Donations

Donated services are recognized in circumstances where those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided in-kind.

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 8 - In-Kind Donations - Continued

The Organization receives the use of office space without charge. For the years ended December 31, 2024 and 2023, the estimated fair value of \$20,880 and \$21,080, respectively, has been recorded as in-kind occupancy.

Donated office space, which is allocated to program service and management and general on the statement of functional expenses, is valued at the amount that could be charged to renters of that space.

Note 9 - Pension Plan

The Organization offers all employees the option to participate in a 401(k) retirement plan after one year over service and who are at least 18 years old. All eligible employees may elect to defer a portion of their salary and contribute to this plan up to statutory amounts. In order to be eligible to receive the employer contribution, the employee must work at least 1,000 hours in the calendar year. The plan provides a matching contribution by the employer to a maximum of 4% of eligible employee compensation. Amounts contributed to the plan were \$29,187 and \$27,892 for the years ended December 31, 2024 and 2023, respectively.

Note 10 - Line of Credit

The Organization had a revolving line of credit in the amount of \$500,000 with a variable interest rate. The variable rate is defined as the U.S. prime rate published by the Wall Street Journal rounded to the nearest 0.125%. The line of credit was collateralized by the Organization's assets. The organization did not use the line of credit during the year ended December 31, 2024 or 2023. The line of credit matured on September 2, 2024 and was not renewed.

Note 11 - Availability and Liquidity

The Organization maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operation. As part of its liquidity management, the Organization operates its programs within a board-approved budget and relies on contributions and government grants to fund its operations and program activities.

Financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets at year-end:	
Cash and cash equivalents	\$ 448,028
Investments	3,722,178
Grants and contributions receivable due within one year	<u>839,758</u>
Total financial assets	\$ 5,009,964
Less amounts not available for general expenditures:	
Program restricted contributions	<u>(20,000)</u>
Financial assets available within one year to meet cash needs for general expenditures	<u><u>\$ 4,989,964</u></u>

Avenues for Justice, Inc.

Notes to Financial Statements

December 31, 2024

Note 12 - Concentrations

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities which have been placed with financial institutions that management deems to be creditworthy. Accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC"). Investments are subject to market value fluctuations and principal is not guaranteed. At year end and at various times during the year, the Organization had material uninsured balances; however, no losses have been suffered due to the failure of any of these institutions.

The market value of investments is subject to fluctuation; however, management believes that their investment policy is prudent for the long-term welfare of the Organization.

Note 13 - Subsequent Events

Subsequent events have been evaluated through July 21, 2025, the date the financial statements were available to be issued. There were no material events that have occurred that required adjustment to or disclosure to the financial statements.