

**HER JUSTICE INC.**

**Financial Statements  
for years ended  
June 30, 2024  
and  
June 30, 2023**

## **Independent Auditor's Report**

To the Board of Directors  
Her Justice Inc.

### ***Opinion***

We have audited the accompanying financial statements of Her Justice Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2024 and June 30, 2023 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and June 30, 2023 and the results of its activities 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 the Organization 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 the Organization'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 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 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.

*Condon O'Meara McBenty & Donnelly LLP*

December 6, 2024

## HER JUSTICE INC.

## Statement of Financial Position

## Assets

	June 30	
	2024	2023
<b>Current assets</b>		
Cash and money market funds	\$ 5,219,035	\$ 5,718,289
Investments, at fair value	2,964,739	2,651,391
Accounts and other receivables	1,168,525	786,219
Prepaid expenses	259,487	17,902
Total current assets	9,611,786	9,173,801
<b>Leasehold improvements, office furniture and equipment, net of accumulated depreciation and amortization of \$547,355 and \$448,485 in 2024 and 2023, respectively</b>	684,859	196,338
<b>Right-of-use asset – operating lease, net</b>	5,430,909	6,668,181
<b>Security and other deposits</b>	488,399	488,399
<b>Total assets</b>	<b>\$ 16,215,953</b>	<b>\$ 16,526,719</b>

## Liabilities and Net Assets

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 428,142	\$ 284,705
Current portion of operating lease liability	625,179	784,330
Total current liabilities	1,053,321	1,069,035
Long-term portion of operating lease liability	6,078,273	6,703,452
Total liabilities	7,131,594	7,772,487
<b>Net assets</b>		
Without donor restrictions		
Operating fund	5,668,364	5,442,835
Sustainability fund	2,964,739	2,651,391
Bequest fund	207,506	207,506
Total net assets without donor restrictions	8,840,609	8,301,732
With donor restrictions	243,750	452,500
Total net assets	9,084,359	8,754,232
<b>Total liabilities and net assets</b>	<b>\$ 16,215,953</b>	<b>\$ 16,526,719</b>

See notes to financial statements.

## Statement of Activities

	Year Ended June 30				2023				
	2024								
	Without Donor Restrictions			Total All Funds	Without Donor Restrictions			With Donor Restrictions	Total All Funds
Operating	Sustainability Fund	Bequest Fund	Operating		Sustainability Fund	Bequest Fund	Total		
Operating revenue									
Contributions	\$ 1,920,121	\$ -	\$ -	\$ 1,920,121	\$ 1,702,777	\$ -	\$ -	\$ 252,500	\$ 1,955,277
Contract services	1,573,767	-	-	1,573,767	1,563,580	-	-	-	1,563,580
Benefit auction – net	3,108,637	-	-	3,108,637	3,035,986	-	-	-	3,035,986
Fall fundraiser	-	-	-	-	306,326	-	-	-	306,326
Investment return, net	216,895	313,348	-	530,243	96,432	221,270	-	-	317,702
Other	-	-	-	-	-	-	-	-	-
Net assets released from restrictions								(200,000)	-
Total operating revenue	7,048,170	313,348	-	7,361,518	6,905,101	221,270	-	52,500	7,178,871
Contributions of nonfinancial assets	44,823,107	-	-	44,823,107	43,591,354	-	-	-	43,591,354
Total revenue	51,871,277	313,348	-	52,184,625	50,496,455	221,270	-	52,500	50,770,225
Operating expenses									
Program services	4,111,043	-	-	4,111,043	3,952,342	-	-	-	3,952,342
Supporting activities									
Fundraising	1,441,134	-	-	1,441,134	1,108,871	-	-	-	1,108,871
Management and general	1,270,464	-	-	1,270,464	1,397,357	-	-	-	1,397,357
Total operating expenses	6,822,641	-	-	6,822,641	6,458,570	-	-	-	6,458,570
Contributions of nonfinancial assets - donated legal services and materials	44,823,107	-	-	44,823,107	43,591,354	-	-	-	43,591,354
Total expenses	51,645,748	-	-	51,645,748	50,049,924	-	-	-	50,049,924
Increase (decrease) in net assets	225,529	313,348	-	538,877	446,531	221,270	-	52,500	720,301
Net assets, beginning of year	5,442,835	2,651,391	207,506	8,301,732	4,996,304	2,430,121	207,506	400,000	8,033,931
Net assets, end of year	\$5,668,364	\$2,964,739	\$ 207,506	\$8,840,609	\$5,442,835	\$2,651,391	\$ 207,506	\$ 452,500	\$8,754,232

See notes to financial statements.

**HER JUSTICE INC.**

**Statement of Functional Expenses**

	Year Ended June 30				
	2024		2023		
	Supporting Activities		Supporting Activities		
	Program	Management	Program	Management	
	Services	and	Services	and	Total
		General		General	
		Fundraising		Fundraising	
Salaries	\$ 2,486,593	\$ 535,574	\$ 2,238,488	\$ 575,841	\$ 3,379,576
Payroll taxes and employee benefits	556,213	119,800	531,055	131,558	789,003
Total salaries and related	<u>3,042,806</u>	<u>655,374</u>	<u>2,769,543</u>	<u>707,399</u>	<u>4,168,579</u>
Occupancy	501,390	112,520	617,437	138,948	880,655
Professional fees	98,678	333,696	88,926	465,921	567,951
Legal resources and training	73,682	9,210	115,768	1,601	118,848
Information technologies	150,644	31,674	149,964	25,964	213,511
Marketing	-	275	-	-	6,114
Insurance	39,880	4,486	47,754	7,418	61,806
Depreciation and amortization	64,110	14,387	16,100	3,623	22,963
Administrative	122,875	91,864	129,837	29,470	220,048
Sub-total	<u>1,051,259</u>	<u>598,112</u>	<u>1,165,786</u>	<u>672,945</u>	<u>2,091,896</u>
Total operating expenses	<u>4,094,065</u>	<u>1,253,486</u>	<u>3,935,329</u>	<u>1,380,344</u>	<u>6,260,475</u>
Contributions of nonfinancial assets – donated legal services and materials	44,823,107	-	43,591,354	-	43,591,354
Benefit auction	16,978	16,978	17,013	17,013	375,329
Donor Cultivation	-	-	-	-	93,876
Total expenses	<u>48,934,150</u>	<u>1,270,464</u>	<u>47,543,696</u>	<u>1,397,357</u>	<u>50,321,034</u>
Less: expenses deducted directly on the statement of activities	-	-	-	-	(271,110)
					<u>(271,110)</u>
<b>Total expenses reported by function on the statement of activities</b>	<b>\$48,934,150</b>	<b>\$ 1,441,134</b>	<b>\$47,543,696</b>	<b>\$1,397,357</b>	<b>\$50,049,924</b>

See notes to financial statements.

## HER JUSTICE INC.

## Statement of Cash Flows

	Year Ended June 30	
	2024	2023
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 330,127	\$ 720,301
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	98,870	22,963
Net ROU	452,942	819,601
Realized (gain) on investments	(33,200)	(85,865)
Unrealized (gain) on investments	(211,572)	(184,906)
Non-cash contributions	69,145	29,828
Proceeds from non-cash contributions	(69,145)	(29,828)
(Increase) decrease in accounts and other Receivables	(382,306)	474,284
(Increase) in prepaid expenses	(241,585)	(15,566)
(Increase) in security and other deposits	-	(8,249)
Increase in accounts payable and accrued expenses	143,437	117,571
Net cash provided by operating activities	156,713	1,860,134
<b>Cash flows from investing activities</b>		
Purchase of leasehold improvements, office furniture and equipment	(587,391)	(176,108)
Proceeds from sale of investments	393,968	273,457
Purchases of investments	(462,544)	(223,956)
Net cash (used in) investing activities	(655,967)	(126,607)
<b>Net increase (decrease) in cash and money market funds</b>	<b>(499,254)</b>	<b>1,733,527</b>
<b>Cash and money market funds, beginning of year</b>	<b>5,718,289</b>	<b>3,984,762</b>
<b>Cash and money market funds, end of year</b>	<b>\$5,219,035</b>	<b>\$5,718,289</b>

See notes to financial statements.

**HER JUSTICE INC.****Notes to Financial Statements  
June 30, 2024 and 2023****Note 1 – The Organization**

Her Justice Inc. (the “Organization”) was organized as a nonprofit corporation under the laws of the State of New York on October 9, 1992. The Organization stands with women living in poverty in New York City by recruiting and mentoring volunteer lawyers to provide free legal help, and by addressing individual and systemic legal barriers.

**Note 2 – Summary of significant accounting policies****Net assets**

The Organization recognizes all unconditional grants and contributions as support on the statement of activities. Any grants or contributions that are without donor restrictions are recognized as such. Any grants or contributions that are restricted or pertain to future periods are reflected as net assets with donor restrictions. The following is a summary of the net assets:

**Without donor restrictions****Operating**

Operating net assets are used to account for the general activities.

**Sustainability fund**

During the 2013 fiscal year, the Board of Directors authorized the establishment of a sustainability fund. The fund is to be used to ensure long-term sustainability.

**Bequest fund**

During the 2009 fiscal year, the Board of Directors authorized the establishment of a bequest fund. The fund is to be used to support development and marketing initiatives.

**With donor restrictions**

Net assets with donor restrictions (temporary donor restrictions) consist of expendable grants and contributions which are restricted by the donor or pertain to future periods. When the time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

**Contributions**

A majority of revenues are from contributions of nonfinancial assets (legal services) and from contributions. Contributions are recognized as revenue in the period contributed. Contributions other than cash are recorded at their fair value on the date they are received.

The Organization’s policy is to record, as support without donor restrictions, contributions with donor-imposed restrictions when these restrictions are met in the same year that these contributions are received. Contributions with donor restrictions are recorded as support with donor restrictions.



**HER JUSTICE INC.****Notes to Financial Statements (continued)  
June 30, 2024 and 2023****Note 2 – Summary of significant accounting policies (continued)****Contributions of nonfinancial assets**

The Organization engages the vast talent and resources of New York City's law firms, bringing together committed lawyers and determined women to secure life changing results. The Organization values and reports those contributions of nonfinancial assets composed of legal fees totaling \$44,823,107 for the 2024 fiscal year and \$43,591,354 for the 2023 fiscal year, which require specialized skills and are provided by individuals possessing those skills that would typically need to be purchased if they had not been provided by donation, at the estimated fair value of these services.

**Cash equivalents**

Highly liquid assets with a maturity of ninety days or less are considered to be cash equivalents.

**Investments**

Investments are recorded at fair value based on publicly quoted prices. Realized and unrealized gains and losses on the investments are recognized as revenue in the statement of activities in the sustainability fund.

**Allowance for doubtful accounts**

The Organization has determined that an allowance for doubtful accounts is not required for any accounts receivable or unconditional promises to give that may not be collectible. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and the current economic conditions.

**Leasehold improvements, office furniture, equipment and depreciation**

Office furniture and equipment are recorded at cost and are being depreciated on the straight-line method over their estimated useful lives. Leasehold improvements are being amortized over the term of the lease.

**Deferred rent**

The Organization leases office space under an operating lease agreement. Landlord incentives and rent escalation clauses which provide for scheduled rent increases during the lease term are recorded on a straight-line basis over the lease term. The difference between the rent due under the stated periods compared to the straight-line basis are recorded net with the right-of-use asset in the statement of financial position.

**HER JUSTICE INC.****Notes to Financial Statements (continued)  
June 30, 2024 and 2023****Note 2 – Summary of significant accounting policies (continued)****Operating lease liability**

The Organization follows guidance issued in FASB ASC 842, *Leases*. The standard established a right-of-use (“ROU”) model that requires a lessee to record a ROU asset, which represents the right to use a respective asset for the lease term, and a lease liability on the statement. The Organization has elected to use a risk-free rate to discount its operating lease liability for its office lease to its net present value. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position.

**Expense allocation**

Expenses are charged to program services and fundraising on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of Her Justice.

**Concentrations of credit risk**

Financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and money market funds, investments and receivables. The Organization places its cash and money market funds with what it believes to be quality financial institutions. At times during the year, cash balances exceeded the FDIC insurance limit. The Organization has not experienced any losses in such accounts to date. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. The Organization routinely assesses the financial strength of its holdings in its investment portfolio. The Organization monitors its receivables on an ongoing basis and believes they are fully collectible. The Organization believes no significant concentrations of credit risk exist with respect to its cash and money market funds, investments and receivables.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from these estimates.

**Subsequent events**

The Organization has evaluated events and transactions for potential recognition or disclosure through December 6, 2024, which is the date the financial statements were available to be issued.

## HER JUSTICE INC.

**Notes to Financial Statements (continued)**  
**June 30, 2024 and 2023**

**Note 3 – Liquidity and availability of financial assets**

The following is a summary of the Organization's financial assets as of the statement of financial position date that are available for general use within one year of the statement of financial position date:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 5,219,035	\$ 5,718,289
Investments, at fair value	2,964,739	2,651,391
Accounts and other receivables	<u>1,168,525</u>	<u>819,219</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,352,299</u>	<u>\$ 9,188,899</u>

**Note 4 – Investments**

At June 30, 2024 and June 30, 2023, investments consist of the following:

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market	\$ 8,369	\$ 8,369	\$ 10,473	\$ 10,473
Mutual funds				
Equity				
Domestic	723,975	1,157,456	561,713	864,809
International	226,210	277,288	281,253	309,941
Fixed Income – Bonds	<u>1,530,384</u>	<u>1,521,626</u>	<u>1,533,723</u>	<u>1,466,168</u>
Total	<u>\$2,488,938</u>	<u>\$2,964,739</u>	<u>\$2,387,162</u>	<u>\$2,651,391</u>

The following is a summary of investment income:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 285,471	\$ 46,931
Realized gain on disposition of investments	33,200	85,865
Unrealized gain due to change in fair value of investments	<u>211,572</u>	<u>184,906</u>
Total investment return, net	<u>\$ 530,243</u>	<u>\$ 317,702</u>

**Fair value measurements**

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3). Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets.
- Level 2 – Observable inputs other than Level 1 prices such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less active markets).
- Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of the assets.

All investments are considered to be Level 1.

## HER JUSTICE INC.

**Notes to Financial Statements (continued)**  
**June 30, 2024 and 2023**

**Note 5 – Net assets with donor restrictions**

The transactions and components of net assets with temporary donor restrictions for the years ended June 30, 2024 and June 30, 2023 are as follows:

<u>Purpose</u>	<u>Balance at June 30, 2023</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at June 30, 2024</u>
Multi-year pledges	\$ 452,500	\$ 20,000	\$ (228,750)	\$ 243,750

  

<u>Purpose</u>	<u>Balance at June 30, 2022</u>	<u>Support and Other</u>	<u>Released from Restrictions</u>	<u>Balance at June 30, 2023</u>
Multi-year pledges	\$ 400,000	\$ 252,500	\$ (200,000)	\$ 452,500

**Note 6 – Retirement plan**

Effective January 1, 2009, the Organization sponsors a flexible 401(k) profit sharing plan whereby eligible employees may authorize payroll deductions of a percentage of their salary not to exceed IRS limits. Each participant invests these amounts in various self-directed investment contracts, and the Plan is administered by an independent contractor. During fiscal 2024 and 2023, the Organization's contributions to the plan totaling to \$89,918 and \$83,489, respectively.

**Note 7 – Lease agreements**

During June 2011, the Organization entered into a lease agreement which expired on June 30, 2022. Monthly payments of \$46,560 began seven months after the commencement date for the first 5 years and \$52,380 for the remainder of the lease. During October 2021, the Organization entered into a first amendment to the lease extending the lease term for an additional ten years to June 30, 2032 with monthly payments of \$80,025 during the period from July 1, 2022 through June 30, 2027 and \$87,300 for the remainder of the lease. The Organization received a rent abatement in connection with the first amendment to the lease as described in the agreement. In connection with the lease, at June 30, 2024, the Organization has a letter of credit for \$488,399.

**Note 8 – Tax status**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, it has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation under the meaning of Section 509(a)(1) of the Code. The Organization qualifies for maximum charitable contribution deductions for donors.