

**JUVENILE LAW CENTER**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2024 AND 2023**



**JUVENILE LAW CENTER  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Juvenile Law Center  
Philadelphia, Pennsylvania

### **Report on the Audits of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Juvenile Law Center (a nonprofit organization) which comprise the statements of financial position as of August 31, 2024 and 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 Juvenile Law Center as of August 31, 2024 and 2023, 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 (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 Juvenile Law Center, 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.

#### ***Emphasis of Matters***

As disclosed in Note 13, the financial statements for the year ended August 31, 2023 have been restated to correct balances that were incorrectly reported in prior periods. In addition, the beginning net assets at September 1, 2022 were restated to reflect the reclassification of net assets related to the Zubrow funds. Our opinion is not modified with respect to these matters.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Juvenile Law Center'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 Audits 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 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 audits.
- 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 Juvenile Law Center'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 Juvenile Law Center'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.

*J. Miller & Associates, LLC*

**J. MILLER & ASSOCIATES, LLC**

Philadelphia, Pennsylvania  
December 16, 2025

**JUVENILE LAW CENTER  
STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2024 AND 2023**

	2024	RESTATED 2023
<u>Assets</u>		
Cash and cash equivalents	\$ 427,504	\$ 451,895
Investments	2,291,213	2,308,929
Grants and contributions receivable	1,558,000	2,335,323
Prepaid expenses	-	7,289
Investments - board designated	2,557,478	2,535,570
Security deposit	10,900	10,900
Operating lease right-of-use assets	857,992	1,019,193
Property and equipment, net	52,554	86,805
Total assets	\$ 7,755,641	\$ 8,755,904
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 42,320	\$ 177,809
Accrued expenses	58,729	119,873
Accrued vacation	91,467	90,326
Due to others	-	666,667
Operating lease liabilities	985,892	1,157,877
Total liabilities	1,178,408	2,212,552
Net assets		
Undesignated	982,252	1,149,557
Board designated	2,557,478	2,535,570
Without donor restrictions	3,539,730	3,685,127
With donor restrictions	3,037,503	2,858,225
Total net assets	6,577,233	6,543,352
Total liabilities and net assets	\$ 7,755,641	\$ 8,755,904

See accompanying notes to the financial statements.

**JUVENILE LAW CENTER  
STATEMENTS OF ACTIVITIES  
YEARS ENDED AUGUST 31, 2024 AND 2023**

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	RESTATED Total 2023
<u>Support and revenue</u>						
Foundations and other grants	\$ -	\$ 2,820,000	\$ 2,820,000	\$ -	\$ 2,450,250	\$ 2,450,250
Individual and corporate contributions	967,686	6,500	974,186	772,986		772,986
Fundraising events, net of direct donor benefits	125,292	-	125,292	117,674		117,674
Honoraria and fees	41,304	-	41,304	46,619		46,619
Miscellaneous income	34,655	-	34,655	722		722
Realized loss on sale of donated securities	(14,264)	-	(14,264)	(1,684)		(1,684)
Interest and dividend income	11,699	-	11,699	30,001		30,001
Net investment return	779,222	-	779,222	405,484		405,484
Net assets released from restrictions	2,647,222	(2,647,222)	-	2,574,080	(2,574,080)	-
Total support and revenue	4,592,816	179,278	4,772,094	3,945,882	(123,830)	3,822,052
<u>Expenses</u>						
Program expense	3,126,818	-	3,126,818	3,881,485	-	3,881,485
Management and general	1,200,266	-	1,200,266	570,452	-	570,452
Fundraising	411,129	-	411,129	689,194	-	689,194
Total expenses	4,738,213	-	4,738,213	5,141,131	-	5,141,131
Change in net assets	(145,397)	179,278	33,881	(1,195,249)	(123,830)	(1,319,079)
Net assets at beginning of year, as restated	3,685,127	2,858,225	6,543,352	4,880,376	2,982,055	7,862,431
Net assets at end of year	\$ 3,539,730	\$ 3,037,503	\$ 6,577,233	\$ 3,685,127	\$ 2,858,225	\$ 6,543,352

See accompanying notes to the financial statements.

**JUVENILE LAW CENTER**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED AUGUST 31, 2024 AND 2023**

	Program Expense	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total	Program Expense	Management and General	Fundraising	Cost of Direct Benefits to Donors	RESTATED Total 2023
Salaries	\$ 1,984,352	\$ 717,765	\$ 227,536	\$ -	\$ 2,929,653	\$ 2,469,381	\$ 308,871	\$ 419,760	\$ -	\$ 3,198,012
Payroll taxes	150,049	54,275	17,205	-	221,529	187,771	23,486	31,919	-	243,176
Health insurance	305,279	110,423	35,005	-	450,707	353,497	44,215	60,090	-	457,802
Retirement plan expense	70,765	25,596	8,114	-	104,475	87,679	10,967	14,902	-	113,548
Total salaries and related expenses	2,510,445	908,059	287,860	-	3,706,364	3,098,328	387,539	526,671	-	4,012,538
Accounting and audit	-	73,450	-	-	73,450	-	67,206	-	-	67,206
Bad debt	-	-	-	-	-	-	9,000	-	-	9,000
Bank charges	3,057	1,106	351	-	4,514	5,906	739	1,004	-	7,649
Computer expense	26,028	9,415	2,984	-	38,427	25,528	3,193	4,339	-	33,060
Consultant - other	220,433	79,733	25,276	-	325,442	304,084	42,233	47,613	-	393,930
Depreciation	23,200	8,391	2,660	-	34,251	23,078	2,887	3,923	-	29,888
Fundraising supplies	-	-	47,506	-	47,506	-	-	41,876	-	41,876
Insurance	1,887	683	216	-	2,786	23,301	2,914	3,961	-	30,176
Leadership awards	-	-	-	18,197	18,197	-	-	-	15,000	15,000
Litigation	3,478	-	-	-	3,478	29,697	-	-	-	29,697
Miscellaneous	9,952	3,600	1,141	-	14,693	21,534	2,695	3,660	-	27,889
Occupancy	142,328	51,482	16,320	-	210,130	146,969	18,383	24,982	-	190,334
Office expense and supplies	32,120	11,618	3,683	-	47,421	40,427	5,057	6,872	-	52,356
Printing, publications, and postage	5,658	2,046	648	-	8,352	17,380	2,175	2,954	-	22,509
Special event - catering	-	-	-	49,589	49,589	-	-	-	78,537	78,537
Special event - hotel and transportation	-	-	-	2,827	2,827	-	-	-	-	-
Special event -venue rental	-	-	6,417	-	6,417	-	-	-	-	-
Staff development	8,113	-	-	-	8,113	19,723	-	-	-	19,723
Telephone	6,479	2,344	743	-	9,566	5,918	740	1,006	-	7,664
Travel and training	133,640	48,339	15,324	-	197,303	119,612	25,692	20,333	-	165,637
Total expenses by function	3,126,818	1,200,266	411,129	70,613	4,808,826	3,881,485	570,453	689,194	93,537	5,234,669
Less: expenses include with revenues on the statement of activities										
Cost of direct benefits to donors	-	-	-	(70,613)	(70,613)	-	-	-	(93,537)	(93,537)
Total expenses included in the expense section on the statement of activities	<u>\$ 3,126,818</u>	<u>\$ 1,200,266</u>	<u>\$ 411,129</u>	<u>\$ -</u>	<u>\$ 4,738,213</u>	<u>\$ 3,881,485</u>	<u>\$ 570,453</u>	<u>\$ 689,194</u>	<u>\$ -</u>	<u>\$ 5,141,132</u>

See accompanying notes to the financial statements.

**JUVENILE LAW CENTER  
STATEMENTS OF CASH FLOW  
YEARS ENDED AUGUST 31, 2024 AND 2023**

	2024	RESTATED 2023
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 33,881	\$ (1,319,079)
Adjustments to reconcile change in net assets to cash used in operating activities:		
Depreciation	34,251	29,888
Realized and unrealized gains (losses)	(687,762)	(325,371)
Loss on sale of donated securities	14,264	1,684
Donated securities	(78,931)	(91,501)
<u>Change in assets and liabilities</u>		
Grants and contributions receivable	777,323	730,124
Prepaid expenses	7,289	30,262
Security deposit	-	10,900
Operating lease right-of-use assets	161,201	174,529
Accounts payable	(135,489)	168,254
Accrued expenses	(61,144)	6,430
Accrued vacation	1,141	64,655
Due to others	(666,667)	(666,666)
Operating lease liabilities	(171,985)	(170,227)
Net cash used in operating activities	(772,628)	(1,356,118)
 <u>Cash flows from investing activities</u>		
Proceeds from sale of investments	805,028	1,469,631
Purchase of investments	(56,791)	(175,935)
Purchase of property and equipment	-	(36,625)
Net cash provided by investing activities	748,237	1,257,071
 Net decrease in cash and cash equivalents	(24,391)	(99,047)
 Cash and cash equivalents at beginning of year	451,895	550,942
 Cash and cash equivalents at end of year	\$ 427,504	\$ 451,895

See accompanying notes to the financial statements.

**JUVENILE LAW CENTER  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2024 AND 2023**

**NOTE 1            NATURE OF OPERATIONS**

**Nature of Operations**

Juvenile Law Center ("the Center"), founded in 1975, is a nonprofit public-interest organization based in Philadelphia, Pennsylvania. The Center advocates for rights, dignity, equity, and opportunity for youth in the child welfare and justice systems. Through litigation, appellate advocacy, and submission of amicus (friend-of-the-court) briefs, policy reform, public education, training, consulting, and strategic communications, the Center fights for children who come into contact with the child welfare and justice systems. The Center strives to ensure that laws, policies, and practices affecting youth advance racial and economic equity and are rooted in research, consistent with children's unique developmental characteristics, and reflective of international human rights. The Center is funded through foundation grants, as well as individual and corporate contributions.

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Center prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") which involves the application of the accrual basis of accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

**Financial Statement Presentation**

Currently, there are two classes of net assets for nonprofit organizations: net assets with donor restrictions and net assets without donor restrictions.

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 available for use in general operations and not subject to donor (or certain grantor) restrictions. These net assets may be used at the discretion of the Center's management and board.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Reclassification**

A certain amount related to interest and dividend income for 2023 has been reclassified to conform with 2024 presentation. The reclassification has no effect on previously reported net assets.

**JUVENILE LAW CENTER  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2024 AND 2023**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures 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.

**Cash and Cash Equivalents**

The Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Grants and Contributions Receivable**

Grants and contributions receivable represent unconditional promises to give. The Center provides an allowance for uncollectible accounts based on management evaluation of the balances that are potentially uncollectible. Amounts not expected to be collected are written off when deemed uncollectible. As of August 31, 2024, management has determined that amounts are fully collectible and an allowance for doubtful accounts is not deemed necessary.

**Investments**

Investments with readily determinable fair values are measured and reported at fair value. Purchases and sales of securities are recorded on a trade-date basis. Net investment return relates to the investment portfolio and represents realized and unrealized gains and losses, and interest and dividends, net of fees, and is classified as a change in net assets without donor restrictions or net assets with donor restrictions depending on the existence of restrictions by the donor or law on the use. Interest and dividends are recognized when earned.

**Property and Equipment**

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. The cost of repairs and maintenance that improve or extend the useful lives of the respective assets are recorded at cost. Repairs and maintenance that do not improve or extend the useful life are expensed. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets which range from 3-5 years, or in the case of leasehold improvements, the lesser of the useful life or lease term.

**Due to Others**

The Center records a liability for funds that are due to others under multi-grantee grant awards with other nonprofits. The funds are released to the other named beneficiaries on a periodic basis throughout the term of the grants.

**JUVENILE LAW CENTER  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2024 AND 2023**

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue and Revenue Recognition**

Contributions received, including foundations and other grants, are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose 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 restrictions.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Special events revenue equal to the fair value of direct benefits to donors is recognized when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

Honoraria and fees are recognized when the related event takes place.

**Functional Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Payroll and related expenses are allocated to program, management and general, and fundraising based on time and effort. Indirect expenses have been allocated based on salary expenditures.

**Income Taxes**

The Center is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, there is no provision for income taxes. The Center is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income taxes. The Center follows the accounting guidance for uncertain tax positions and believes that it has appropriate support for any tax position taken. As such, the Center does not have any uncertain tax positions that are material to the financial statements.

**JUVENILE LAW CENTER  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2024 AND 2023**

**NOTE 3 GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions receivable are estimated to be collected as follows:

	<u>2024</u>	<u>2023</u>
Amounts due within one year	\$1,343,000	\$2,235,323
Amounts due in two years	185,000	100,000
Amounts due in three to five years	<u>30,000</u>	<u>-</u>
	<u>\$1,558,000</u>	<u>\$2,335,323</u>

**NOTE 4 LIQUIDITY AND AVAILABILITY**

The following represents the Center's current financial assets:

	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 427,504	\$ 451,895
Investments	2,291,213	2,308,929
Grants and contributions receivable, current	1,343,000	2,235,323
Investments - board designated	<u>2,557,478</u>	<u>2,535,570</u>
	<u>6,619,195</u>	<u>7,531,717</u>
Less: Board designated portion	2,557,478	2,535,570
Less: Time restrictions beyond one year	825,910	429,792
Less: Amount with purpose restrictions	1,972,651	1,636,475
Less: Due to others	<u>-</u>	<u>666,667</u>
	<u>5,356,039</u>	<u>5,268,504</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,263,156</u>	<u>\$ 2,263,213</u>

The Center manages its liquidity by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near term operating needs. As part of its liquidity plan, excess cash may be invested in short-term investments, including money market accounts.

The Center's total investment portfolio, which includes board designated funds, is invested in marketable securities with immediate liquidity. The Center's investment spending policy allows for an annual spending rate of up to 5% of the preceding three-year average of the total investment portfolio ("Annual Spend").

**JUVENILE LAW CENTER  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2024 AND 2023**

**NOTE 5 FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

A three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management’s judgment about the assumptions that market participants would use in pricing the asset or liability.

The table below presents the assets measured at fair value on a recurring basis as follows:

	<u>2024</u>	<u>2023</u>
	Fair Value (Level 1)	Fair Value (Level 1)
Investments (Consolidated Fund):		
Fixed income	\$ 648,671	\$ 647,917
Equities	1,642,542	1,661,012
	<u>2,291,213</u>	<u>2,308,929</u>
Investments -board designated (Zubrow Fund):		
Fixed income	723,991	752,743
Equities	1,833,487	1,782,827
	<u>2,557,478</u>	<u>2,535,570</u>
Total assets measured at fair value	<u>\$ 4,848,691</u>	<u>\$ 4,844,499</u>

**JUVENILE LAW CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2024 AND 2023**

**NOTE 6**      **INVESTMENTS**

The Center's total investment portfolio consists of the Consolidated Fund and a board designated fund. The board designated fund referred as the "Zubrow Fund", is reported as a separate line item on the accompanying statement of financial position as Investments – board designated. The line item titled Investments on the accompanying statement of financial position reflects the current market value of the Center's unrestricted and undesignated investments.

Interpretation of Relevant Law

The Commonwealth of Pennsylvania has not adopted UPMIFA. State law allows nonprofit organizations to make an election to adopt a total return investment policy as provided by Act 141 (1988) of Pennsylvania legislature 15 Pa. C.S.A Section 5548 ("total return election"). The Center did not make a "total return election", and as such, the Center is free to adopt any prudent investment policy and use of the board designated funds.

Return Objective, Spending Policy, and Risk Parameters

The Center's objective is to earn a reasonable, long-term, and risk-adjusted returns. The consolidated fund portfolio and the Zubrow fund portfolio are invested in a diversified mix of high-quality marketable fixed income securities and equities, and money market accounts. The Annual Spend, and discretionary use of board designated funds in addition to the Annual Spend, if any, are determined annually by the Board.

Strategies Employed for Achieving Objectives

To satisfy its return objectives, the Center may utilize a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (dividends or interest). The Center closely monitors its asset allocation based on the performance of the portfolios, market strategies and expectations, and expected use of the invested assets. The asset allocation, performance, any modifications thereto, and expected cash requirements are reviewed quarterly by the Board's Investment Committee in consultation with the Center's investment advisor and the Center's Finance Committee.

BOARD DESIGNATED

In previous financial statements, the Center has referred to the Zubrow Fund as an "endowment" that included the one million dollar (\$1,000,000) original corpus of the Zubrow Fund ("Zubrow Corpus") plus the accumulated income and investment returns of the Zubrow Corpus. The donor has confirmed that the Zubrow Fund is not restricted to any specific Center operations or programming but has indicated a preference that the Zubrow Corpus and all income and investment returns of the Zubrow Fund, be used to support a portion or all of the annual cost to the Center to operate the Zubrow Fellowship Program. Nonetheless, the Center intends to manage the Zubrow Fund so that the current market value of the Zubrow Fund is one million dollars (\$1,000,000) or greater, at all times. While both the Zubrow Corpus and the accumulated income and investment returns of the Zubrow Fund were previously reported as an endowment, in accordance with GAAP, the Center now accounts for the Zubrow Fund as board designated.

**JUVENILE LAW CENTER  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2024 AND 2023**

**NOTE 6 INVESTMENTS (CONTINUED)**

BOARD DESIGNATED, Continued

The chart below reflects the restatement of the Zubrow Corpus as board designated.

	Without Donor Restrictions	With Donor Restrictions		Total
	Zubrow Fund (Board Designated)	Zubrow Fund Expendable	Zubrow Fund Nonexpendable	
Net assets of the Zubrow Fund at September 1, 2022, as previously reported	\$ -	\$ 1,313,944	\$ 1,000,000	\$ 2,313,944
Reclassification	2,313,944	(1,313,944)	(1,000,000)	-
Board Designated net assets at September 1, 2022, as restated (see Note 13)	<u>\$ 2,313,944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,313,944</u>

Change in investment Portfolio

Change in the investment portfolio for the years ended August 31, 2004 and 2023 are as follows:

	Consolidated Fund	Zubrow Fund (Board Designated)	Total
	Beginning balance at September 1, 2023	\$ 2,308,929	\$ 2,535,570
Net investment return:			
Interest and dividends, net of fees	43,300	48,160	91,460
Realized gain	162,033	147,174	309,207
Unrealized gain	164,466	214,089	378,555
	<u>369,799</u>	<u>409,423</u>	<u>779,222</u>
Distributions:			
Annual spending policy	(137,515)	(137,515)	(275,030)
Discretionary use for operations	(250,000)	(250,000)	(500,000)
	<u>(387,515)</u>	<u>(387,515)</u>	<u>(775,030)</u>
Ending balance at August 31, 2024	<u>\$ 2,291,213</u>	<u>\$ 2,557,478</u>	<u>4,848,691</u>

	Consolidated Fund	Zubrow Fund (Board Designated)	Total
	Beginning balance at September 1, 2022	\$ 3,409,063	\$ 2,313,944
Net investment return:			
Interest and dividends, net of fees	40,941	39,179	80,120
Realized gain	359,634	87,329	446,963
Unrealized gain/(loss)	(216,710)	95,118	(121,592)
	<u>183,865</u>	<u>221,626</u>	<u>405,491</u>
Distributions:			
Annual spending policy	(284,000)	-	(284,000)
Discretionary use for operations	(1,000,000)	-	(1,000,000)
	<u>(1,284,000)</u>	<u>-</u>	<u>(1,284,000)</u>
Ending balance at August 31, 2023	<u>\$ 2,308,928</u>	<u>\$ 2,535,570</u>	<u>4,844,498</u>

**JUVENILE LAW CENTER**  
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**NOTE 7      PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 94,338	\$ 94,338
Computer equipment	25,620	25,620
Software/website	176,256	176,256
Leasehold improvements	57,192	57,192
	<u>353,406</u>	<u>353,406</u>
Less: accumulated depreciation	(300,852)	(266,601)
Total property and equipment, net	<u>\$ 52,554</u>	<u>\$ 86,805</u>

**NOTE 8      NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted as follows:

	<u>2024</u>	<u>2023</u>
Time restrictions	\$ 1,064,852	\$ 1,221,750
Purpose restrictions:		
Child welfare and justice system advocacy	204,273	1,155,402
Youth Advocacy	935,570	144,789
Economic Justice Project	782,808	336,284
Cuneo Fund	50,000	-
	<u>1,972,651</u>	<u>1,636,475</u>
Total net assets with donor restrictions	<u>\$ 3,037,503</u>	<u>\$ 2,858,225</u>

During the fiscal year ended August 31, 2024, the Center received a \$50,000 pledge, to support the Jonathan W. Cuneo Memorial Litigation and Policy Fund referred as the Cuneo fund. The \$50,000 pledge will be received over five years at \$10,000 per year on or before December 31<sup>st</sup> of each year. As of August 31, 2024, \$50,000 is included in grants and contribution receivable in the accompanying statement of financial position.

Net assets were released from donor restrictions as follows:

	<u>2024</u>	<u>2023</u>
Expiration of time restrictions	\$ 891,897	\$ 821,346
Satisfaction of purpose restrictions:		
Child welfare and justice system advocacy	951,131	1,043,342
Youth engagement	-	204,378
Economic Justice Project	383,475	335,635
Youth Advocacy	420,719	169,378
	<u>1,755,325</u>	<u>1,752,733</u>
Total with donor restrictions	<u>\$ 2,647,222</u>	<u>\$ 2,574,079</u>

**JUVENILE LAW CENTER  
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**NOTE 9           PASS-THROUGH GRANT AGREEMENTS**

The Center has programmatic partners - other nonprofits who are identified in the Center's foundation grant applications as key partners in the Center's efforts. The financial statements do not reflect these transactions as revenue and expenses. Instead, any outstanding amount is reported as a receivable and the amount due to the partners is reported as a liability. A multi-year grant totaling \$3,000,000, payable in three installments of \$1,000,000, was awarded to the Center and two partners in 2022. As of August 31, 2023, \$1,000,000 is outstanding and is included in grants and contributions receivable and \$666,667 is due to the two partners and is included in due to others in the statement of financial position. During the year ended August 31, 2024, the Center received the third installment of \$1,000,000 and \$333,333 was paid to each of the two partners. As of August 31, 2024, no amount was included in grants and contributions receivable and no balance was reported as due to others in the statement of financial position.

**NOTE 10          RETIREMENT PLAN**

The Center has a 403(b) retirement plan for the benefit of all eligible employees who have met one year of continuous service. Annual contributions to the plan are discretionary and approved by the Board of Directors when it adopts the Center's fiscal year budget. The plan allows employees to contribute, in the form of a salary reduction, and benefits are to be paid to eligible employees at retirement. Retirement plan expense was \$104,475 and \$113,548 for the years ended August 31, 2024 and 2023, respectively.

**NOTE 11          LEASE COMMITMENTS**

The Center has a 10.5-year lease agreement for office space at 1800 JFK Boulevard, Philadelphia, PA which expires in April 2030. Occupancy began in November 2019 and the lease agreement allows for free rent for the first two months, and an initial monthly base rent of \$10,870 with periodic increases throughout the lease term. Rent expense was \$193,708 and \$177,013 for the years ended August 31, 2024 and 2023, respectively, and is included in occupancy in the statements of functional expenses.

The Center also lease equipment under leases that expire in November 2025 and November 2028, respectively. The monthly lease payments are \$3,870 and \$80, respectively. and The lease cost related to the equipment totaled \$4,095 and is included in printing, publications and postage in the accompanying statements of functional expenses.

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit discount rate is not readily determinable from the lease, the Center will estimate an applicable incremental borrowing rate. The incremental borrowing rate is estimated using our applicable borrowing rates and contractual lease terms and is 3.50%.

The weighted- average remaining lease term in years is 5.8 years.

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**NOTE 11 LEASE COMMITMENTS (CONTINUED)**

Future minimum lease payments for the office space and equipment as of August 31, 2024 are as follows:

<u>August 31,</u>	
2025	\$ 196,163
2026	196,952
2027	199,621
2028	203,243
2029	206,145
Thereafter	<u>137,672</u>
Total lease payments	1,139,796
less: interest	<u>(153,904)</u>
Present value of lease liability	<u>\$ 985,892</u>

**NOTE 12 CONCENTRATIONS OF RISKS**

The Center maintains its cash in accounts with two financial institutions, which at times exceed federally insured limits. As of August 31, 2024 and 2023, the Center had \$169,209 and \$0 in excess of FDIC insured limits. The Center has not experienced any losses and management believes the Center is not exposed to any significant credit risk related to its cash.

Substantially all of the grants and contributions receivable are derived from foundations and donors, all of which are made on an unsecured basis.

The Center's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**NOTE 13 RESTATEMENTS**

The financial statements for August 31, 2023 have been restated to correct balances that were incorrectly reported during the year ended August 31, 2022. The impact of these adjustments are as follows:

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2023 Total assets, as previously reported	\$ 8,832,517
Prepaid that should have been expensed	(59,613)
Receivables that were overstated in 2022	(17,000)
2023 Total assets, as restated	<u>\$ 8,755,904</u>
2023 Total liabilities, as previously reported	\$ 2,248,052
Expenses for 2022 under a restricted grant	(35,500)
2023 Total liabilities, as restated	<u>\$ 2,212,552</u>

**NOTE 13 RESTATEMENTS (CONTINUED)**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Asset
Beginning of year, at September 1, 2022	\$ 4,921,989	\$ 2,981,555	\$ 7,903,544
Prior period adjustments:			
Prepaid that should have been expensed	(59,613)	-	(59,613)
Receivables that were overstated in 2022	(17,000)	-	(17,000)
Expenses for 2022 under a restricted grant	35,000	500	35,500
Beginning of year, at September 1, 2022 as restated	<u>\$ 4,880,376</u>	<u>\$ 2,982,055</u>	<u>\$ 7,862,431</u>

The beginning net asset as of and for the year ended September 1, 2022 has been restated to reflect the reclassification of the Zubrow Funds, a portion of which was previously classified as non-expendable donor restricted funds. The Center was notified by the donor, who is a former board member, that the funds were and are intended to be board designated. (See Note 6).

The impact on the restatement of net assets is as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Asset
Beginning of year, at September 1, 2022 as previously reported	\$ 2,608,045	\$ 5,295,499	\$ 7,903,544
Reclassification of Zubrow Funds (Note 6)	2,313,944	(2,313,944)	-
Beginning of year, at September 1, 2022 as restated	<u>\$ 4,921,989</u>	<u>\$ 2,981,555</u>	<u>\$ 7,903,544</u>

**NOTE 14 SUBSEQUENT EVENTS**

The Center has evaluated subsequent events through December 16, 2025 which is the date the financial statements were available to be issued.

In March 2025, the Center established an investment fund titled the "Restricted Assets Cuneo Fund" in which the use of funds is limited to the annual spend without any discretion of the board and any contributions to this fund is purpose restricted.