

PUBLIC JUSTICE CENTER, INC.

FINANCIAL REPORTS

June 30, 2022 and 2021

PUBLIC JUSTICE CENTER, INC.

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Independent Auditors' Report

To the Board of Directors
Public Justice Center, Inc.
Baltimore, MD

Opinion

We have audited the accompanying financial statements of Public Justice Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Public Justice Center, Inc. as of June 30, 2022, and the changes in 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. 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 Public Justice Center, Inc. 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 Public Justice Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Public Justice Center, Inc.'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 Public Justice Center, Inc.'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 Public Justice Center, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Columbia, Maryland
December 8, 2022

PUBLIC JUSTICE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 1,039,863	\$ 968,581
Grants receivable	653,210	990,967
Prepaid expenses	16,803	7,902
Investments	1,497,957	2,193,816
Property and equipment, net of accumulated depreciation	90,648	97,499
Deposits	12,642	19,000
Total Assets	\$ 3,311,123	\$ 4,277,765
Liabilities and Net Assets		
Liabilities		
Accrued expenses	\$ 54,635	\$ 198,419
Funds held for others	1,846	8,385
Total liabilities	56,481	206,804
Net Assets		
Without donor restrictions	1,843,818	2,026,203
With donor restrictions	1,410,824	2,044,758
Total net assets	3,254,642	4,070,961
Total Liabilities and Net Assets	\$ 3,311,123	\$ 4,277,765

See independent auditors' report and notes to financial statements.

PUBLIC JUSTICE CENTER, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Contributions				
Corporate and individual contributions	\$ 542,266	\$ -	\$ 542,266	\$ 702,762
Contributed professional services	1,840,538	-	1,840,538	1,388,985
Private grants	-	2,361,819	2,361,819	3,073,332
Attorney fees	79,639	-	79,639	6,000
Special events	20,987	-	20,987	4,038
Interest income	-	-	-	5
Investment income	119,463	-	119,463	64,860
Unrealized gain (loss) on investments	(325,866)	-	(325,866)	244,144
Paycheck Protection Program	-	-	-	368,327
Net assets released from donor restrictions	2,995,753	(2,995,753)	-	-
Total support and revenue	5,272,780	(633,934)	4,638,846	5,852,453
Expenses				
Program services	4,240,518	-	4,240,518	3,360,533
Management and general	434,926	-	434,926	354,045
Fundraising	779,721	-	779,721	593,024
Total expenses	5,455,165	-	5,455,165	4,307,602
Change in Net Assets	(182,385)	(633,934)	(816,319)	1,544,851
Net Assets, Beginning	2,026,203	2,044,758	4,070,961	2,526,110
Net Assets, Ending	\$ 1,843,818	\$ 1,410,824	\$ 3,254,642	\$ 4,070,961

See independent auditors' report and notes to financial statements.

PUBLIC JUSTICE CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022
(With Comparative Totals for 2021)

Program Expenses

	Housing	Workers	Education	Health and Benefits	Appellate	Right to Counsel	Prisoner Rights	Organizing Black	Baltimore Black Worker Center	Total Program	Management and General	Fundraising	Total 2022	Total 2021
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 919	\$ -	\$ 919	\$ 1,669
Benefit dinner	-	-	-	-	-	-	-	-	-	-	-	19,795	19,795	-
Contributed professional services	402,076	244,118	143,599	71,799	57,440	157,959	28,720	301,557	28,720	1,435,988	147,059	257,491	1,840,538	1,388,985
Depreciation	3,445	2,092	1,231	615	492	1,354	246	2,584	246	12,305	1,260	2,207	15,772	11,564
Dues and subscriptions	5,019	3,047	1,792	896	717	1,971	358	3,763	358	17,921	1,835	3,214	22,970	29,343
Employee benefits	84,216	51,131	30,077	15,038	12,031	33,085	6,015	63,161	6,015	300,769	30,802	53,932	385,503	312,660
Equipment maintenance and rental	7,529	4,572	2,689	1,345	1,076	2,958	538	5,648	538	26,893	2,754	4,822	34,469	34,474
Insurance	4,752	2,886	1,698	849	679	1,867	340	3,565	340	16,976	1,738	3,044	21,758	17,734
Litigation expenses	711	432	254	127	102	279	51	533	51	2,540	-	-	2,540	8,662
Miscellaneous	1,321	802	472	236	189	519	94	991	94	4,718	483	846	6,047	6,036
Occupancy	22,535	13,682	8,048	4,024	3,219	8,853	1,610	16,901	1,610	80,482	8,242	14,432	103,156	98,171
Office and technology supplies	4,277	2,597	1,528	764	611	1,681	306	3,209	306	15,279	1,565	2,740	19,584	10,073
Payroll taxes	34,486	20,937	12,316	6,158	4,926	13,548	2,463	25,864	2,463	123,161	12,613	22,084	157,858	146,557
Postage and shipping	1,654	1,004	590	295	236	649	118	1,240	118	5,904	604	1,059	7,567	4,740
Printing and publications	4,352	2,643	1,555	777	622	1,710	311	3,264	311	15,545	1,592	2,787	19,924	18,405
Professional fees	142,936	86,783	51,049	25,524	20,420	56,154	10,210	107,203	10,210	510,489	52,279	91,537	654,305	258,964
Salaries	436,620	265,091	155,936	77,968	62,374	171,529	31,187	327,465	31,187	1,559,357	159,693	279,613	1,998,663	1,910,712
Staff development	7,736	4,697	2,763	1,382	1,105	3,040	553	5,803	553	27,632	2,829	4,955	35,416	5,668
Telephone	10,722	6,510	3,830	1,915	1,532	4,212	766	8,042	766	38,295	3,921	6,867	49,083	30,419
Travel, conferences, and special events	12,955	7,865	4,626	2,313	1,851	5,089	925	9,715	925	46,264	4,738	8,296	59,298	12,766
Total	\$ 1,187,342	\$ 720,889	\$ 424,053	\$ 212,025	\$ 169,622	\$ 466,457	\$ 84,811	\$ 890,508	\$ 84,811	\$ 4,240,518	\$ 434,926	\$ 779,721	\$ 5,455,165	\$ 4,307,602

See independent auditors' report and notes to financial statements.

PUBLIC JUSTICE CENTER, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ (816,319)	\$ 1,544,851
Adjustments to reconcile change in net assets to net cash		
Used in operating activities		
Depreciation	15,772	11,564
Realized and unrealized loss (gain) on investments	258,440	(299,984)
Forgiveness of note payable - Paycheck Protection Program	-	(368,327)
Changes in assets and liabilities		
Grants receivable	337,757	(908,994)
Prepaid expenses and deposits	(2,543)	(13,362)
Accrued expenses	(143,784)	85,611
Funds held for others	(6,539)	(192,593)
	(357,216)	(141,234)
Cash flows from investing activities		
Purchase of property and equipment	(8,920)	(86,361)
Purchase of investments	(56,109)	(1,310,978)
Sale of investments	493,527	712,030
Reinvested earnings from investments	-	(73,705)
	428,498	(759,014)
Net increase (decrease) in cash and cash equivalents	71,282	(900,248)
Cash and cash equivalents, beginning	968,581	1,868,829
Cash and cash equivalents, ending	\$ 1,039,863	\$ 968,581

See independent auditors' report and notes to financial statements.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 1: Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

Public Justice Center, Inc. (the Organization) is a non-profit organization that pursues systemic change to build a just society. Founded in Maryland in 1985, the Organization uses legal advocacy tools to pursue social justice, economic and race equity, and fundamental human rights for people who are struggling to provide for their basic needs. The Organization is a civil legal aid office that provides advice and representation to low-income clients, advocates before legislatures and government agencies, and collaborates with community and advocacy organizations.

The Organization chooses projects and cases that will make a significant impact on systems, laws, and policies. Current projects include bringing actions on behalf of low-income tenants, low-wage workers, immigrants, homeless and foster students, and families needing health care and benefits; using appellate cases to establish good law in poverty and civil rights cases; and coordinating a national coalition that works to establish a right to counsel for indigent persons in basic human needs civil cases.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

The Organization's net assets and related revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization 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-imposed (or certain grantor-imposed) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated reserve and investment fund.

Net Assets Without Donor Restrictions-Board Designated – Certain funds, while not subject to donor-imposed restrictions, have been designated by the Organization as operating or strategic reserves. Operating reserves are invested in low-risk money market and bond funds with maturities of three months or less. Strategic reserves are invested in money market and bond funds with maturities of nine month or less. Total board designated funds are \$250,000 for FY22 and FY21.

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 1: Nature of Organization and Summary of Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

Net Assets With Donor Restrictions – Net assets subject to donor-imposed (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.

Tax Status

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes has been made.

The Organization follows the provisions of Accounting for Uncertainty in Income Taxes under the Income Taxes Topic of the Codification. The Codification requires the evaluation of tax positions, which includes maintaining its tax-exempt status and the taxability of any unrelated business income, and does not allow recognition of tax positions which do not meet a “more-likely-than-not” threshold of being sustained by the applicable tax authority. Management does not believe it has taken any tax positions that would not meet this threshold. The Organization’s income tax returns are subject to possible federal examination, generally for three years after they are filed.

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 reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expense Allocations

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include contributed professional services and fees, depreciation, dues and subscriptions, payroll and benefits costs, maintenance, insurance, office related expenses, rent, staff development, travel, and miscellaneous which are allocated on the basis of estimates of time and effort.

Cash and Cash Equivalents

For purposes of financial statement reporting, the Organization considers all unrestricted highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

See independent auditor’s report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 1: Nature of Organization and Summary of Significant Accounting Policies (continued)

Investments

Investments are comprised of stocks and mutual funds and are reported at fair value with realized and unrealized gains and losses included in the accompanying statements of activities. The carrying value of the certificates of deposit approximates fair value. The fair value of the mutual funds is determined primarily by reference to quoted market prices.

Property and Equipment

Property and equipment in excess of \$1,500 are capitalized. Property and equipment are carried at cost and are depreciated over their estimated useful lives of 3 – 10 years using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Compensated Absences

The Organization accrues accumulated unpaid annual leave when earned by the employee. Generally, annual leave must be taken during the fiscal year earned. However, up to 8 days may be carried forward per fiscal year. Eligible employees who end their employment with the Organization are reimbursed for each day of accumulated annual leave.

Grant Receivable

Grant receivable is recorded as revenue in the year grants are made. The Organization's management has reviewed the receivable for collectability and determined that an allowance for uncollectible amounts is not necessary. The balance of grant receivable at year end is receivable in less than one year.

Contributions and Grant Revenue

The Organization recognizes grants and contributions when cash or an unconditional promise to give is received. Grants and contributions received are recorded as "without donor restrictions" or "with donor restrictions" depending on the existence or nature of any donor restrictions. Donor-restricted revenue is reported as an increase in net assets with donor restrictions. When a restriction expires (i.e., when a purpose restriction is accomplished or a time restriction is met), 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. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Attorney Fees

The Organization receives revenue from attorney fees which are considered exchange transactions and recognized at a point in time base on delivery of services.

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 1: Nature of Organization and Summary of Significant Accounting Policies (continued)

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$919 and \$1,669 for the years ended June 30, 2022 and 2021, respectively.

Recent Accounting Pronouncements Adopted

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by *Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The amendments have been applied retrospectively to all periods presented, with no effects on net assets. The Organization has updated disclosures as necessary, see Note 9.

Evaluation of Subsequent Events

Management has evaluated subsequent events through December 8, 2022, the day the financial statements were available to be issued.

Note 2: Investments and Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2

Inputs to the valuation methodology include

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

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 2: Investments and Fair Value Measurement (continued)

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

Level 3

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC). These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Stock: Valued as quoted on exchanges.

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

	As of June 30, 2022		
	Level 1	Level 2	Level 3
Stocks	\$ 297,096	\$ -	\$ -
Bond Portfolio Mutual Fund	478,503	-	-
Equity Portfolio Mutual Fund	722,358	-	-
Total Investments	\$ 1,497,957	\$ -	\$ -

	As of June 30, 2021		
	Level 1	Level 2	Level 3
Stocks	\$ 55,584	\$ -	\$ -
Bond Portfolio Mutual Fund	\$ 263,891	\$ -	\$ -
Equity Portfolio Mutual Fund	1,874,341	-	-
Total Investments	\$ 2,193,816	\$ -	\$ -

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 2: Investments and Fair Value Measurement (continued)

Investment income consisted of the following for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 61,561	\$ 17,859
Realized gains on investments	67,426	55,840
Unrealized gains(losses) on investments	(325,866)	244,144
Investment fees	<u>(9,524)</u>	<u>(8,839)</u>
	<u>\$ (206,403)</u>	<u>\$ 309,004</u>

Note 3: Property and Equipment

Property and equipment consist of the following as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Property and Equipment	\$ 199,032	\$ 190,111
Less: Accumulated Depreciation	<u>(108,384)</u>	<u>(92,612)</u>
	<u>\$ 90,648</u>	<u>\$ 97,499</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$15,772 and \$11,564, respectively.

Note 4: Commitments and Contingencies

The Organization has a lease for its office space through April 2031. In addition, the Organization also leases additional storage space under a separate lease agreement expiring at the same time as the office space lease. Rent expense for the years ended June 30, 2022 and 2021 was \$103,156 and \$98,171 respectively.

In June 2019, the Organization entered into a non-cancelable operating agreement for the use of a photocopier that will expire in May 2024. The lease requires monthly payments of \$922.

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 4: Commitments and Contingencies (Continued)

Future minimum lease payments under its leases at June 30, 2022 are as follows:

Fiscal Year:	2023	\$	164,787
	2024		166,953
	2025		159,927
	2026		163,098
	2027		166,405
	Thereafter		<u>944,968</u>
		\$	<u>1,766,138</u>

Note 5: Agency Funds (Funds Held for Others)

During the years ended June 30, 2022 and 2021, the Organization collected a total of \$217,825 and \$345,209, respectively on behalf of other charitable organizations. Funds collected on behalf of others that remained undisbursed were \$1,846 and \$8,385 as of June 30, 2022 and 2021, respectively.

Note 6: Note Payable – Paycheck Protection Program

In April 2020, the Organization received an SBA Loan under the CARES Act, Paycheck Protection Program. The loan is for the amount of \$368,327 with an interest rate of 1% maturing in November 2022.

Per terms of the program, certain principal and interest borrowed on the loan qualified to be forgiven by the SBA if the qualified costs are incurred in the 24-week period following the first loan disbursement in accordance with the requirements of the Paycheck Protection Program, including the provisions of Section 1106 of the CARES Act. The loan is subject to an examination by the SBA or its authorized representative for six years after the date the note is forgiven or repaid in full. In February 2021, the Organization applied for and was granted forgiveness of the note payable in its entirety.

Note 7: Concentration of Credit Risk

The Organization's cash balances in financial institutions at times, throughout the year, exceeded federally insured limits.

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 8: Retirement Plan

The Organization has in place a 403(b) Tax Deferred Annuity Plan. An employee is eligible to become a participant in the Plan on date of hire. Elective deferrals may equal the lesser of IRS prescribed amounts or 100% of the participant's compensation specified by certain limitations and catch up allowances for specific employees. The Organization may make discretionary contributions to the Plan. The Organization did not make contributions to the plan during the fiscal years ended June 30, 2022 or 2021.

Note 9: Donated Materials and Services

The Organization receives a significant amount of donated time and services from attorneys, paralegals, and other professionals/volunteers. The approximate value of donated services included in the financial statements for the years ending June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Attorneys/Paralegals/Other	\$ 1,833,571	\$ 1,370,772
Other	<u>6,967</u>	<u>18,213</u>
	<u>\$ 1,840,538</u>	<u>\$ 1,388,985</u>
Hours	<u><u>7,279</u></u>	<u><u>6,703</u></u>

The Organization recognized contributed nonfinancial assets within revenue summarized in the table above. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The contributed attorney, paralegals, and other professional services were used to provide legal assistance for the Organization's programs. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 10: Net Assets With Donor Restrictions

Net assets with donor restrictions are funds received from donors that have been specified for use with program initiatives established by the Organization. Net assets with donor restrictions as of June 30, 2022 and 2021 are summarized as follows:

	2022	2021
Abell Foundation - Health	\$ 25,000	\$ 24,998
Abell Foundation - Tenant	150,000	150,000
ABA/NCCRC Website	7,500	-
ACTL/NCCRC	-	57,500
Appeal Bond Fund	6,202	8,593
Baltimore Black Worker's Center	228,667	224,764
Baltimore Renters United	-	109,620
HR2H	45,316	19,337
Jacob and Hilda Blaustein Foundation	-	70,000
City Health/NCCRC	75,652	-
Community Development Block Grant	45,290	42,912
Community Services Block Grant	14,286	71,429
Education Fund	-	20,233
Eugene & Agnes E. Meyer Foundation	124,342	-
Family Values at Work	20,000	-
International Academy of Trial Lawyers	25,000	25,000
Murnaghan/Michael	17,782	-
Murnaghan/Olivia	-	35,663
National Anti-Eviction Defense Project	-	51,001
National Coalition for a Civil Right to Counsel	140,021	105,459
Organizing Black	391,266	677,510
Open Society Institute Baltimore - Bail Bond Project	50,000	21,730
Public Welfare Foundation - Workplace Justice	-	306,468
Results for America	30,000	-
Rikki Fleisher Fund	-	10,041
Samuel Rosenberg/NCCRC	7,500	7,500
WJP	7,000	5,000
	\$ 1,410,824	\$ 2,044,758

See independent auditor's report.

PUBLIC JUSTICE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Note 11: Liquidity and Availability

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

	2022	2021
Cash and cash equivalents	\$ 1,039,863	\$ 968,581
Grants receivable	653,210	990,967
Investments	1,497,957	2,193,816
Less:		
Funds held for others	(1,846)	(8,385)
Net assets with donor restrictions	(1,410,824)	(2,044,758)
Board designated net assets	(250,000)	(250,000)
	\$ 1,528,360	\$ 1,850,221

As part of the Organization's liquidity management, it invests cash in various investments including money market funds, bond funds and mutual funds. The Organization manages its liquidity resources focusing on investing excess cash in investments that maximize earnings potential balanced with the amount of risk the Organization has decided can be tolerated. The board, at its discretion, can undesignate the balance of board designated net assets so that the Organization can meet obligations for general expenditures.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

**Independent Accountants' Special Report for
Maryland Legal Services Corporation**

To the Board of Directors
Public Justice Center, Inc.
Baltimore, MD

We have examined the Public Justice Center, Inc.'s, (the Organization) compliance with requirements of the grant agreement with Maryland Legal Services Corporation, specifically including the Annotated Code of Maryland, Human Services, Title 11 - Maryland Legal Services Corporation, Sections 11-503, 11-505, 11-602, and 11-603, for the year ended June 30, 2022. We have also examined the number of cases closed as reported on the attached Schedule of Cases Closed under the Maryland Legal Services Corporation Grants (the Schedule) for the year ended June 30, 2022. Management is responsible for the Organization's compliance with those requirements and the information submitted in the referenced report. Our responsibility is to express an opinion on the Organization's compliance with those requirements and the information on the Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Organization complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Organization complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Organization's compliance with specified requirements.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the Organization complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2022. Also, in our opinion, the Schedule of Cases Closed under the Maryland Legal Services Corporation Grants referred to above presents fairly, in all material respects, the number of cases closed during the year ended June 30, 2022, based on the reporting requirements of Maryland Legal Services Corporation.

This report is intended solely for the use of the Board of Directors, management and Maryland Legal Services Corporation and is not intended to be and should not be used by anyone other than these specified parties.



Columbia, Maryland
December 8, 2022

PUBLIC JUSTICE CENTER, INC.
SCHEDULE OF CASES CLOSED
UNDER THE MARYLAND LEGAL SERVICES CORPORATION GRANTS
For the Year Ended June 30, 2022

Legal Problem Code	<u>Number of Cases Closed</u>
Discipline - including expulsion and suspension	46
Education, Homeless	1
Wage claims and other FLSA issues	17
CINA/Neglected/Abused/Dependent	1
Federally subsidized housing	1
Private landlord/tenant	1,066
Housing Discrimination	2
Other housing	1
Unemployment Compensation	<u>6</u>
 Total	 <u><u>1,141</u></u>

See independent accountants' special report for Maryland Legal Services Corporation.