

**Youth Law Center**  
(a not-for-profit corporation)

Financial Statements  
and  
Independent Auditors' Report

For the Years Ended  
December 31, 2023 and 2022



**Youth Law Center  
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**December 31, 2023 and 2022**

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## **Independent Auditors' Report**

To the Board of Directors and Management  
Youth Law Center  
San Francisco, CA

### **Opinion**

We have audited the accompanying financial statements of Youth Law Center, which comprise the statements of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Youth Law Center as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Youth Law Center 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 Youth 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.



## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

## **Report on 2022 Financial Statements**

The financial statements of Youth Law Center for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 20, 2023.

A handwritten signature in black ink that reads "BryMar".

Watsonville, CA  
April 19, 2024

**Youth Law Center  
Statements of Financial Position**

**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,475,538	\$ 4,582,107
Investments	3,801,513	485,554
Accounts receivable	1,462,784	2,184,744
Prepays and other current assets	<u>56,474</u>	<u>28,312</u>
Total current assets	6,796,309	7,280,717
Deposits	11,886	11,886
Long-term receivables, net	250,447	324,682
Property and equipment, net	537	2,344
Right-of-use asset	<u>1,329</u>	<u>6,866</u>
Total assets	<u>\$ 7,060,508</u>	<u>\$ 7,626,495</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 185,000	\$ 140,152
Lease liability	<u>1,329</u>	<u>6,866</u>
Total current liabilities	<u>186,329</u>	<u>147,018</u>
Total liabilities	186,329	147,018
Net assets		
Without donor restrictions	4,543,596	4,013,740
With donor restrictions	<u>2,330,583</u>	<u>3,465,737</u>
Total net assets	<u>6,874,179</u>	<u>7,479,477</u>
Total liabilities and net assets	<u>\$ 7,060,508</u>	<u>\$ 7,626,495</u>

*See independent auditors' report and accompanying notes to the financial statements.*

**Youth Law Center**  
**Statement of Activities and Changes in Net Assets**

**For the Year Ended December 31, 2023**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Grants	\$ 106,384	\$ 1,674,347	\$ 1,780,731
Contributions	78,079	-	78,079
Conference revenue	180,837	-	180,837
Consultant fees	1,553,282	-	1,553,282
Total revenue and support	1,918,582	1,674,347	3,592,929
Net assets released from restrictions	2,809,501	(2,809,501)	-
Total revenues and support with net assets released from restrictions	4,728,083	(1,135,154)	3,592,929
<b>EXPENSES</b>			
Program services	3,916,164	-	3,916,164
Fundraising expenses	78,811	-	78,811
General and administrative expenses	417,824	-	417,824
Total expenses	4,412,799	-	4,412,799
<b>OTHER INCOME (EXPENSES)</b>			
Interest and dividend income	117,819	-	117,819
Realized gain	1,876	-	1,876
Unrealized gain	118,061	-	118,061
Investment fees	(20,109)	-	(20,109)
Miscellaneous expense	(3,075)	-	(3,075)
Total income (expenses)	214,572	-	214,572
Total change in net assets	529,856	(1,135,154)	(605,298)
Net assets, beginning of year	4,013,740	3,465,737	7,479,477
Net assets, end of year	\$ 4,543,596	\$ 2,330,583	\$ 6,874,179

*See independent auditors' report and accompanying notes to the financial statements.*

**Youth Law Center**  
**Statement of Activities and Changes in Net Assets**

For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants	\$ 5,935	\$ 3,079,075	\$ 3,085,010
Contributions	60,558	-	60,558
Conference revenue	191,250	-	191,250
Consultant fees	1,560,491	-	1,560,491
Total revenue and support	1,818,234	3,079,075	4,897,309
Net assets released from restrictions	2,040,103	(2,040,103)	-
Total revenues and support with net assets released from restrictions	3,858,337	1,038,972	4,897,309
<b>EXPENSES</b>			
Program services	3,096,686	-	3,096,686
Fundraising expenses	66,383	-	66,383
General and administrative expenses	352,666	-	352,666
Total expenses	3,515,735	-	3,515,735
<b>OTHER INCOME (EXPENSES)</b>			
Property tax forgiveness	28,913	-	28,913
Interest and dividend income	6,537	-	6,537
Realized gain	1,039	-	1,039
Unrealized loss	(14,480)	-	(14,480)
Miscellaneous income	21,499	-	21,499
Total income	43,508	-	43,508
Total change in net assets	386,110	1,038,972	1,425,082
Net assets, beginning of year	3,627,630	2,426,765	6,054,395
Net assets, end of year	\$ 4,013,740	\$ 3,465,737	\$ 7,479,477

*See independent auditors' report and accompanying notes to the financial statements.*

**Youth Law Center  
Statement of Functional Expense**

**For the Year Ended December 31, 2023**

	<u>Program Services</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Wages and salaries	\$ 2,299,844	\$ 60,539	\$ 215,638	\$ 2,576,021
Fringe benefits	585,159	15,403	54,865	655,427
Travel	105,514	-	1,815	107,329
Meals	100	-	-	100
Conference meetings	187,058	-	-	187,058
Computer equipment	2,409	-	2,455	4,864
Equipment rental	-	-	5,394	5,394
Office supplies	2,534	-	191	2,725
Program supplies	4,339	-	25	4,364
Fees	1,477	50	16,190	17,717
Postage and printing	1,227	-	3,674	4,901
Audit	-	-	33,400	33,400
Bank fees	-	-	2,831	2,831
Consultants	624,483	-	45,959	670,442
Lobby expense	300	-	-	300
Litigation expense	3,913	-	-	3,913
Telephone	12,213	321	1,145	13,679
Rent and utility	11,234	296	1,053	12,583
Insurance	-	-	14,929	14,929
Technology	62,959	1,657	5,903	70,519
Depreciation	-	-	1,807	1,807
Registration fees	3,995	-	-	3,995
Employee recognition	2,027	545	3,159	5,731
Library	138	-	499	637
Membership dues	5,241	-	6,892	12,133
Total expenses	<u>\$ 3,916,164</u>	<u>\$ 78,811</u>	<u>\$ 417,824</u>	<u>\$ 4,412,799</u>

*See independent auditors' report and accompanying notes to the financial statements.*



**Youth Law Center  
Statement of Functional Expense**

**For the Year Ended December 31, 2022**

	<u>Program Services</u>	<u>Fundraising</u>	<u>General and administrative</u>	<u>Total</u>
Wages and salaries	\$ 1,936,327	\$ 46,703	\$ 171,997	\$ 2,155,027
Fringe benefits	487,092	11,748	43,267	542,107
Travel	62,634	-	-	62,634
Meals	254	-	-	254
Conference meetings	116,093	-	-	116,093
Computer equipment	-	-	456	456
Equipment rental	-	-	5,403	5,403
Office supplies	473	-	713	1,186
Program supplies	3,598	-	1,423	5,021
Fees	-	-	11,824	11,824
Postage and printing	1,633	5,000	497	7,130
Audit	-	-	26,900	26,900
Bank fees	-	-	3,054	3,054
Consultants	360,280	-	40,915	401,195
Litigation expense	262	-	569	831
Telephone	10,833	261	963	12,057
Rent and utility	57,764	1,393	5,132	64,289
Insurance	-	-	18,674	18,674
Technology	52,988	1,278	4,707	58,973
Depreciation	-	-	5,693	5,693
Registration fees	3,781	-	-	3,781
Employee recognition	433	-	4,801	5,234
Library	150	-	-	150
Membership dues	2,091	-	5,678	7,769
	<u>\$ 3,096,686</u>	<u>\$ 66,383</u>	<u>\$ 352,666</u>	<u>\$ 3,515,735</u>
Total expenses	<u>\$ 3,096,686</u>	<u>\$ 66,383</u>	<u>\$ 352,666</u>	<u>\$ 3,515,735</u>

*See independent auditors' report and accompanying notes to the financial statements.*

**Youth Law Center  
Statements of Cash Flows**

**For the Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (605,298)	\$ 1,425,082
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
(Gain) loss on sale of property and equipment	-	(41)
Realized (gain) loss on investments	(1,876)	(1,039)
Unrealized (gain) loss on investments	(118,061)	14,480
Depreciation	1,807	5,693
Amortization of right-of-use asset	5,537	61,772
(Increase) decrease in operating assets:		
Accounts receivable	721,960	(998,407)
Prepays and other current assets	(28,162)	(11,442)
Long-term receivables	74,235	343,624
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	44,848	47,480
Deferred revenue	-	(58,253)
Lease liability	(5,537)	(61,772)
Net cash provided by (used in) operating activities	89,453	767,177
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from property and equipment	-	579
Proceeds from investments	4,434,262	1,249,468
Purchases of investments	(7,630,284)	(500,001)
Net cash provided by (used in) investing activities	(3,196,022)	750,046
Net increase (decrease) in cash and cash equivalents	(3,106,569)	1,517,223
Cash and cash equivalents, beginning of year	4,582,107	3,064,884
Cash and cash equivalents, end of year	\$ 1,475,538	\$ 4,582,107
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES</b>		
New lease for right-of-use asset	\$ -	\$ 6,866

*See independent auditors' report and accompanying notes to the financial statements.*

# Youth Law Center

## Notes to Financial Statements

December 31, 2023 and 2022

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### NOTE 1 - NATURE OF OPERATIONS

Youth Law Center (the Center) is a national not-for-profit legal advocacy organization based in the State of California. The Youth Law Center advocates to transform child welfare and juvenile justice systems so that every child can thrive. Fair, humane and just treatment of children and youth in foster care and the juvenile justice system requires advocacy that goes beyond ending harmful practice and dangerous conditions. While the Youth Law Center uses a wide and creative range of strategies to achieve system change, including litigation, policy reform, public education, technical assistance and collaboration; advocacy is at the heart of their work.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenue and support are recorded when earned and expenses when incurred and accordingly reflect all significant receivables, payables and other liabilities.

#### Basis of presentation

The Center presents information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions consist of net assets that are for use in general operations and are not subject to donor (or certain grantor) restrictions. The governing board has not designated any amounts from net assets without donor restrictions.

Net assets with donor restrictions represent contributions whose use has imposed restrictions. The 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. 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 has been fulfilled, or both.

#### 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 at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash and money market funds. For purposes of reporting cash flows, the Center considers all unrestricted highly liquid investments with an initial maturity of 90 days or less at the date of purchase to be cash equivalents. The carrying amount in the Statements of Financial Position approximates fair value.

# Youth Law Center

## Notes to Financial Statements

December 31, 2023 and 2022

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### Accounts receivable

Accounts receivable consists of funds granted that will be received within one year. Allowance for doubtful accounts reflects the Center's best estimate of probable uncollectible in the accounts receivable balance. The Center determines the allowance based on historical experience, and other currently available evidence. Allowance for doubtful accounts was \$0 for both fiscal years ended December 31, 2023 and 2022.

### Long-term grants receivable

In 2023 and 2022, long-term grant receivables are discounted to present value and are composed of grant receivables that will not be collect within one year.

### Prepays and other current assets

Prepaid expenses and other current assets consist of deposits, and prepaid insurance that are paid in advance of when due and are expected to be realized within one year.

### Fair value of financial instruments

Financial instruments included in the Center's Statements of Financial Position as of December 31, 2023 and 2022 include cash and cash equivalents, accounts payable and accrued expenses, for which the carrying amounts represent a reasonable estimate of the corresponding fair values.

### Property and equipment

Property and equipment exceeding \$2,000 are recorded at cost if purchased or at estimated fair market value at date of gift, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computers and printers	3 years
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### Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of amounts due for expenses incurred but not paid until the subsequent year as well as the accrual for wages.

### Leases

The Center elects to not recognize a lease liability or right-of-use asset for leases with a remaining lease term of 12 months or less.

### Right-of-use assets

A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over its lease term. Right-of-use assets are subject to evaluation of potential impairment.

# Youth Law Center

## Notes to Financial Statements

December 31, 2023 and 2022

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### Lease liabilities

At the commencement date of the lease, the Center recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Center uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

### Revenue recognition

*Exchange revenue* - The Center recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Center receives contracts from foundations to provide services. The performance obligation is providing the service to the grantee. The Center establishes the transaction price, based on quoted prices in active markets. Revenue is recognized when the corresponding service has been provided according to the agreement, subject to the contract limit, if any.

*Contribution revenue* - The Center records contributions, including unconditional promises to give as revenue at their fair value in the period the contribution or pledge is received. All contributed support is recognized as revenue without donor restrictions when received or un-conditionally promised. The Center reports gifts of cash and other assets as restricted support if such gifts are received with donor stipulations that limit the use of the donated assets. When such restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

### Functional expense allocations

The costs of providing the various program and supporting services have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses applicable to more than one program are allocated based on usage and management's estimates.

### Accounting for uncertainty for income taxes

The Center evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position.

The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of December 31, 2023 and 2022 management did not identify any uncertain tax positions.

The Center is subject to potential examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and the State of California.

**Youth Law Center**  
**Notes to Financial Statements**

**December 31, 2023 and 2022**

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**NOTE 3 - INVESTMENTS**

The Center reports investments at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs.

The basis for the carrying value of investments is from information provided by broker managed accounts. Fair value measurements of investment instruments are based on open actively traded securities markets as reported by investment account broker statements.

The three levels of inputs that may be used to measure fair value:

- 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 active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little to no market activity and that are significant to the fair value of the assets or liabilities.

When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. In certain cases, where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

**Youth Law Center  
Notes to Financial Statements**

**December 31, 2023 and 2022**

The Center invests in mutual funds and bonds with financial institutions. The investments are recognized at fair value as of December 31, 2023 and 2022:

	<b>2023</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant other observable inputs (Level 3)</b>
Corporate bonds	\$ 502,173	\$ 502,173	\$ -	\$ -
Exchange-traded and closed-end funds	893,889	893,889	-	-
Mutual funds	2,405,451	2,405,451	-	-
	\$ 3,801,513	\$ 3,801,513	\$ -	\$ -

  

	<b>2022</b>	<b>Quoted prices in active markets for identical assets (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant other observable inputs (Level 3)</b>
Certificates of deposit	\$ 485,554	\$ 485,554	\$ -	\$ -

**NOTE 4 - LONG-TERM GRANT RECEIVABLE**

In 2023 and 2022, the Center had multi-year grants with amounts owed in 2024 and 2025. As a result, the portion of the receivable due in 2025 was discounted at 4.73 percent:

	<b>2023</b>	<b>2022</b>
Grants receivable to be collected	\$ 274,700	\$ 357,348
Discount to present value	(24,253)	(32,666)
	\$ 250,447	\$ 324,682

In 2023 and 2022, revenue was reduced by the discounted portion.

**NOTE 5 - PROPERTY AND EQUIPMENT**

In 2023 and 2022, the value of the property and equipment and related accumulated depreciation is as follows:

	<b>2023</b>	<b>2022</b>
Computers and printers	\$ 16,750	\$ 16,750
Less: accumulated depreciation	(16,213)	(14,406)
	\$ 537	\$ 2,344

Depreciation expense for the years ended December 31, 2023 and 2022 was \$1,807 and \$5,693, respectively.

**Youth Law Center  
Notes to Financial Statements**

**December 31, 2023 and 2022**

**NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted by donor for specific programs and operations. Net assets with donor restrictions consisted of the following purposes during the years ended December 31, 2023 and 2022:

<u>Purpose</u>	<u>2022</u>	<u>Additions</u>	<u>Releases/ Adjustments</u>	<u>2023</u>
Fellowship	\$ 44,760	\$ 118,000	\$ 59,510	\$ 103,250
Foster Care Advocacy	613,208	75,000	499,319	188,889
General Support - Time Restricted	45,000	20,000	45,000	20,000
Homelessness Advocacy	45,000	-	15,000	30,000
Juvenile Justice Advocacy	171,170	470,000	353,670	287,500
Postsecondary Education Advocacy	458,182	-	301,818	156,364
Quality Parenting Initiative	942,499	990,600	600,833	1,332,266
Women's Leadership Award	50,000	-	26,009	23,991
Youth Access to Justice Advocacy	1,128,584	25,000	941,008	212,576
Discount on Long-term grants	(32,666)	(24,253)	(32,666)	(24,253)
	<u>\$ 3,465,737</u>	<u>\$ 1,674,347</u>	<u>\$ 2,809,501</u>	<u>\$ 2,330,583</u>

<u>Purpose</u>	<u>2021</u>	<u>Additions</u>	<u>Releases/ Adjustments</u>	<u>2022</u>
Fellowship	\$ -	\$ 60,000	\$ 15,240	\$ 44,760
Foster Care Advocacy	808,055	275,000	469,847	613,208
General Support - Time Restricted	20,000	50,000	25,000	45,000
Homelessness Advocacy	-	45,000	-	45,000
Juvenile Justice Advocacy	193,043	316,950	338,823	171,170
Postsecondary Education Advocacy	500,000	240,000	281,818	458,182
Quality Parenting Initiative	365,832	850,000	273,333	942,499
Women's Leadership Award	-	50,000	-	50,000
Youth Access to Justice Advocacy	557,073	1,224,791	653,280	1,128,584
Discount on Long-term grants	(17,238)	(32,666)	(17,238)	(32,666)
	<u>\$ 2,426,765</u>	<u>\$ 3,079,075</u>	<u>\$ 2,040,103</u>	<u>\$ 3,465,737</u>

**NOTE 7 - LIQUIDITY AND AVAILABILITY**

The Center strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The Center considers investment income without donor restrictions, appropriated earnings from donor-restricted and contributions without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, program expenses, and fundraising expenses to be paid in the subsequent year.



**Youth Law Center**  
**Notes to Financial Statements**

**December 31, 2023 and 2022**

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The Center manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that mission fulfillment will continue to be met, ensuring the sustainability of the Center.

The following table reflects the Center's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. Amounts not available are due to net assets with donor restrictions.

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,475,538	\$ 4,582,107
Accounts receivable	1,462,784	2,184,744
Investments	3,801,513	485,554
Less: donor restrictions greater than one year	-	-
	<u>\$ 6,739,835</u>	<u>\$ 7,252,405</u>

**NOTE 8 - FUNCTIONAL EXPENSES**

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 Center allocates all expenses based on a time allocation of the employees per month and this is done for all expense other than grant expense. Grant expense is directly allocated to grant making.

**NOTE 9 - RETIREMENT PLAN**

Beginning in 2016, the Center sponsored a defined contribution retirement plan which qualifies under section 403(b) of the Internal Revenue Code. Under the terms of the plan, contributions are invested at the discretion of the plan participant in an investment vehicle comprised of various funds. The Center can elect to contribute 4% of gross salaries for qualified employees to the plan. The Center contributed \$58,806 and \$43,418 for the years ended December 31, 2023 and 2022, respectively.

**NOTE 10 - CONCENTRATION OF RISK**

Financial instruments that potentially subject the Center to credit risk consist primarily of cash, and receivables. The Center maintains cash with commercial banks and other major financial institutions. At times, cash balances may be in excess of the Federal Deposit Insurance (FDIC) limits of \$250,000.

The credit risk associated with receivables is mitigated by the fact that the receivables are due from Center members, local donors and governments.

For the years ended December 31, 2023 and 2022, there were two and four contributors, respectively, that provided more than 10% of support and revenue.

**Youth Law Center**  
**Notes to Financial Statements**

**December 31, 2023 and 2022**

**NOTE 11 - LEASES**

The Center has lease contracts for an office and equipment. Those leases have expiration dates between 2022 and 2024. As of December 31, 2023 and 2022, the operating lease had a discount rate of 0%.

Below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	<b>Office</b>	<b>Equipment</b>	<b>Total</b>
January 1, 2022	\$ 56,457	\$ 12,181	\$ 68,638
Amortization	(56,457)	(5,315)	(61,772)
December 31, 2022	-	6,866	6,866
Amortization	-	(5,537)	(5,537)
December 31, 2023	\$ -	\$ 1,329	\$ 1,329

Below are the carrying amounts of lease liabilities and the movements during the period:

	<b>2023</b>	<b>2022</b>
January 1	\$ 6,866	\$ 71,608
Payments	(5,537)	(64,742)
December 31	1,329	6,866
Less: current portion	(1,329)	(5,537)
Non-current	\$ -	\$ 1,329

Rent expense for the years ended December 31, 2023 and 2022 was \$12,583 and \$64,289, respectively.

The Center entered into a sublease agreement for office space located at 832 Folsom Street, Suite 700, San Francisco, California. The term of the lease is for five years and three months, commencing July 1, 2017 and ending September 30, 2022. In September 2022, the Center entered into an additional lease agreement for the same space starting October 1, 2022 and ending September 31, 2023. In September 2023, the Center entered into an additional lease agreement for the same space starting October 1, 2023 and ending September 31, 2024.

The Center entered into a lease agreement for a copier. The term of the lease is for five years, commencing April 12, 2019 and ending April 11, 2024.

The table below reconciles the fixed components of the undiscounted cash flows for each of the first five years and the total remaining years to the lease liabilities recorded on the balance as of December 31, 2023. Amounts due for the 12 months ended December 31 are as follows:

2024	\$ 1,329
Thereafter	-
Total	1,329
Less: interest	-
	\$ 1,329

**Youth Law Center**  
**Notes to Financial Statements**

**December 31, 2023 and 2022**

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**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of society across the world. The continued spread of COVID-19 may adversely impact the local, regional, national and world economies. The extent to which Covid-19 may impact the Center's activities may depend on future developments which are highly uncertain and cannot be predicted. Although to date, Covid-19 has not had a material impact on the Center's activities, management cannot presently estimate the overall long-term operational and financial impact to the Center.

**NOTE 13 - RELATED PARTY**

Every year, board members are required to raise or make a minimum contribution of \$2,500 to the Center. For each of the years ended December 31, 2023 and 2022, direct contributions from board members were \$46,293 and \$32,255, respectively.

**NOTE 14 - SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date but before the date the financial statements were available to be issued. The Center recognizes in the financial statements, the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.

Management evaluates events occurring subsequent to December 31, 2023 in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were approved by the Center and available to be issued.

No subsequent events have been noted that require disclosure or recognition.