

GEORGIA JUSTICE PROJECT, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022  
With Independent Auditor's Report Thereon

GEORGIA JUSTICE PROJECT, INC.  
JUNE 30, 2023 AND 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Georgia Justice Project, Inc.

### **Opinion**

We have audited the accompanying financial statements of Georgia Justice Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, 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 Georgia Justice Project, Inc. as of June 30, 2023 and 2022, 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 of 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 Georgia Justice Project, 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 these 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 Georgia Justice Project, 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 is 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence 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 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 Georgia Justice Project, 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 my 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 Georgia Justice Project, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Fulton & Kozak LLC

Morrow, Georgia  
October 31, 2023

GEORGIA JUSTICE PROJECT, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS OF JUNE 30, 2023 AND 2022

	ASSETS	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,225,136	\$ 3,760,748
Investments	1,797,498	-
Contributions receivable	1,109,017	1,108,250
Accounts receivable	79,378	-
Prepaid expenses	16,393	3,398
Employee advance	<u>400</u>	<u>1,000</u>
TOTAL CURRENT ASSETS	4,227,822	4,873,396
LONG-TERM CONTRIBUTIONS RECEIVABLE, net of discounts of \$0 and \$2,650, respectively	-	47,350
PROPERTY AND EQUIPMENT, NET	<u>4,002,174</u>	<u>4,056,380</u>
TOTAL ASSETS	<u>\$ 8,229,996</u>	<u>\$ 8,977,126</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 47,854	\$ 8,789
Accrued expenses	3,008	9,316
Payroll accrual	<u>197,938</u>	<u>146,939</u>
TOTAL CURRENT LIABILITIES	248,800	165,044
MORTGAGE PAYABLE	<u>2,345,126</u>	<u>2,345,126</u>
TOTAL LIABILITIES	2,593,926	2,510,170
NET ASSETS		
Without donor restrictions	3,988,938	4,658,394
With donor restrictions	<u>1,647,132</u>	<u>1,808,562</u>
TOTAL NET ASSETS	<u>5,636,070</u>	<u>6,466,956</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,229,996</u>	<u>\$ 8,977,126</u>

*The accompanying notes are an integral part of these financial statements.*

GEORGIA JUSTICE PROJECT, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 2,182,306	\$ 697,132	\$ 2,879,438
Contributed services and in-kind	587,015	-	587,015
Other revenue	119,673	-	119,673
Special events, net of direct benefit to donor of \$46,393	107,197	-	107,197
Interest and investment revenue	<u>72,878</u>	<u>-</u>	<u>72,878</u>
Revenues, gains and other support	3,069,069	697,132	3,766,201
Net assets released from restriction	<u>858,562</u>	<u>(858,562)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	3,927,631	(161,430)	3,766,201
EXPENSES			
Program activities	3,767,970	-	3,767,970
Supporting services			
Management and general	449,443	-	449,443
Fundraising	<u>379,674</u>	<u>-</u>	<u>379,674</u>
Total supporting services	<u>829,117</u>	<u>-</u>	<u>829,117</u>
TOTAL EXPENSES	<u>4,597,087</u>	<u>-</u>	<u>4,597,087</u>
CHANGE IN NET ASSETS	(669,456)	(161,430)	(830,886)
NET ASSETS, BEGINNING OF YEAR	<u>4,658,394</u>	<u>1,808,562</u>	<u>6,466,956</u>
NET ASSETS, END OF YEAR	<u>\$ 3,988,938</u>	<u>\$ 1,647,132</u>	<u>\$ 5,636,070</u>

*The accompanying notes are an integral part of these financial statements.*

GEORGIA JUSTICE PROJECT, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 2,281,808	\$ 258,250	\$ 2,540,058
Contributed services and in-kind	532,663	-	532,663
Other revenue	158,378	-	158,378
Special events, net of direct benefit to donor of \$44,486	58,154	-	58,154
Interest and investment revenue	<u>4,462</u>	<u>-</u>	<u>4,462</u>
Revenues, gains and other support	3,035,465	258,250	3,293,715
Net assets released from restriction	<u>2,078,952</u>	<u>(2,078,952)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	5,114,417	(1,820,702)	3,293,715
EXPENSES			
Program activities	2,899,606	-	2,899,606
Supporting services			
Management and general	277,588	-	277,588
Fundraising	<u>294,774</u>	<u>-</u>	<u>294,774</u>
Total supporting services	<u>572,362</u>	<u>-</u>	<u>572,362</u>
TOTAL EXPENSES	<u>3,471,96</u>	<u>-</u>	<u>3,471,968</u>
CHANGE IN NET ASSETS	1,642,449	(1,820,702)	(178,253)
NET ASSETS, BEGINNING OF YEAR	<u>3,015,945</u>	<u>3,629,264</u>	<u>6,645,209</u>
NET ASSETS, END OF YEAR	<u>\$ 4,658,394</u>	<u>\$ 1,808,562</u>	<u>\$ 6,466,956</u>

*The accompanying notes are an integral part of these financial statements.*

GEORGIA JUSTICE PROJECT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Program activities</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries	\$ 2,062,114	\$ 227,613	\$ 226,974	\$ 2,516,701
In-kind legal services	576,558	-	-	576,558
Employee benefits	283,051	57,013	30,102	370,166
Consultants	105,676	90,092	2,669	198,437
Payroll taxes	162,980	15,783	16,970	195,733
Interest expense	121,096	5,699	10,457	137,252
Depreciation	112,909	2,456	6,138	121,503
Technology/equipment	92,102	11,029	12,254	115,385
Office supplies	33,396	4,329	19,474	57,199
Travel	43,050	4,017	2,011	49,078
Food and entertainment	22,997	6,564	2,698	32,259
Advocacy	9,248	317	22,487	32,052
Phone/internet	22,491	3,329	4,405	30,225
Materials-program	28,681	861	-	29,542
Insurance	12,993	7,563	4,852	25,408
Utilities	10,612	1,249	5,638	17,499
Maintenance	12,217	1,457	(98)	13,576
Client event	13,470	-	-	13,470
Accounting/banking	1,517	9,631	110	11,258
Direct assistance	11,215	-	-	11,215
Staff development	9,965	362	298	10,625
Vehicle expenses	10,061	64	-	10,125
Trial preparation	9,571	-	-	9,571
Miscellaneous	-	-	6,507	6,507
Repairs	-	15	5,728	5,743
<b>TOTAL EXPENSES</b>	<b><u>\$ 3,767,970</u></b>	<b><u>\$ 449,443</u></b>	<b><u>\$ 379,674</u></b>	<b><u>\$ 4,597,087</u></b>

*The accompanying notes are an integral part of these financial statements.*



GEORGIA JUSTICE PROJECT, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program activities</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries	\$ 1,580,249	\$ 182,872	\$ 224,613	\$ 1,987,734
In-kind legal services	513,588	-	-	513,588
Employee benefits	195,104	24,084	26,709	245,897
Consultants	116,248	186	744	117,178
Payroll taxes	119,784	13,476	16,470	149,730
Interest Expense	2,557	120	331	3,008
Depreciation	41,797	899	2,247	44,943
Technology/equipment	79,282	6,768	10,637	96,687
Office supplies	76,330	2,646	8,813	87,789
Travel	24,095	-	493	24,588
Food and entertainment	19,882	635	634	21,151
Phone/internet	15,996	358	832	17,186
Materials-program	25,190	-	-	25,190
Insurance	7,830	15,794	-	23,624
Utilities	12,894	277	694	13,865
Maintenance	4,968	52	209	5,229
Client event	16,230	-	-	16,230
Accounting/banking	-	29,030	-	29,030
Direct assistance	6,870	-	-	6,870
Staff development	10,388	-	-	10,388
Vehicle expenses	1,154	-	-	1,154
Trial preparation	11,001	-	-	11,001
Repairs	18,169	391	976	19,536
Special events	-	-	372	372
TOTAL EXPENSES	<u>\$ 2,899,606</u>	<u>\$ 277,588</u>	<u>\$ 294,774</u>	<u>\$ 3,471,968</u>

*The accompanying notes are an integral part of these financial statements.*

GEORGIA JUSTICE PROJECT, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (830,886)	\$ (178,253)
Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities		
Depreciation	121,503	44,943
Unrealized loss (gain) on investments	4,591	(3,938)
Loss on disposal of property and equipment	1,612	-
Contributions of securities	-	(23,899)
Amortization of discount on contributions receivable	(2,650)	(14,999)
(Increase)/Decrease in operating assets		
Contributions receivable	(767)	111,250
Accounts receivable	(78,778)	(520)
Prepaid expenses	(12,995)	4,518
Long-term contributions receivable	50,000	850,000
Increase (Decrease) in operating liabilities		
Accounts payable	39,065	(4,258)
Accrued expenses	(6,308)	9,316
Payroll accrual	<u>50,999</u>	<u>24,295</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(664,614)	818,455
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	3,003,988	27,837
Purchase of investments	(4,806,077)	-
Purchase of property and equipment	<u>(68,909)</u>	<u>(882,757)</u>
NET CASH USED IN INVESTING ACTIVITIES	(1,870,998)	(854,920)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	<u>(2,535,612)</u>	<u>(36,465)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,760,748</u>	<u>3,797,213</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,225,136</u>	<u>\$ 3,760,748</u>
SUPPLEMENTAL DISCLOSURE:		
Cash paid during the year for:		
Interest	<u>\$ 137,252</u>	<u>\$ -</u>
Non-cash financing activities:		
Mortgage for building purchase	<u>\$ -</u>	<u>\$ 2,362,500</u>

*The accompanying notes are an integral part of these financial statements.*

GEORGIA JUSTICE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

**1. ORGANIZATION**

Georgia Justice Project, Inc. ("GJP") is a non-profit corporation organized in 1986 to provide, without charge, legal representation and social service support to the criminally accused poor of Metropolitan Atlanta. In addition to criminal representation, GJP also provides legal assistance in correcting criminal records, improving Georgia's laws regarding collateral consequences of criminal records and providing education throughout Georgia regarding these issues.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

**Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

GJP classifies its net assets and revenues and expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of GJP and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of the GJP's management and the board of directors.

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. All donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are reported.

GEORGIA JUSTICE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Estimates**

Management of GJP makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

**Fair value of financial instruments**

The financial instruments shown as assets and liabilities in the statements of financial position are traditional in nature. The carrying value of cash and cash equivalents and all other financial instruments, including receivables and payables, approximate their fair value.

**Cash and cash equivalents**

For financial statement purposes, highly liquid investments with original maturities of three months or less when purchased are reported as cash and cash equivalents. For the years ended June 30, 2023 and 2022, GJP had cash equivalents of \$969,839 and \$3,655,584 respectively.

**Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Interest and investment revenue is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**Fixed assets**

The Georgia Justice Project, Inc. capitalizes expenditures for property and equipment in excess of \$2,500. The fair value of donated items is similarly capitalized. Expenditures for renewals and betterments are capitalized, while those for repairs and maintenance are charged to operations as incurred. The basis of property and equipment are depreciated using the straight-line method over the useful lives of the respective assets.

The fair value of contributed items is reported as support without restrictions unless the donor has restricted the asset to a specific purpose. Assets donated with restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, GJP reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. GJP reclassifies support with restrictions to support without restrictions at that time.

GEORGIA JUSTICE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Contributions receivable**

Contributions receivable are recorded when unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. We determine the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2023 and 2022, the discount was \$0 and \$2,650, respectively.

**Contributed services**

Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets, or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such skills. During the current year, GJP implemented a volunteer legal assistance program that was staffed by volunteer lawyers. For June 30, 2023 and 2022, contributed services consisted of the following:

	2023	2022
Pro bono legal services	\$ 576,558	\$ 513,588
Special projects consulting	10,457	18,600
	\$ 587,015	\$ 532,188

GJP’s policy related to gifts in-kind is to utilize the assets given to carry out the mission of GJP. If an asset is provided that does not allow GJP to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. All in-kind donations received by GJP for the year ended June 30, 2023 were considered without donor restrictions and are able to be used by GJP, as determined by the board of directors and management.

**Revenue and revenue recognition**

GJP recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. 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 met. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

GEORGIA JUSTICE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

*Special events*

Special events consist primarily of ticket sales and sponsorships. GJP records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Performance obligations related to special events are transferred to the customer at a point in time and is recognized at the conclusion of the event. Special event contributions are conditional promises to give and are not recognized as revenue in the financial statements until the event takes place. GJP did not receive any advanced payments for the years ended June 30, 2023 and 2022.

**Functional allocation of expenses**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the GJP. Those expenses including salaries and wages, payroll taxes, office expenses, accounting fees, postage, insurance and depreciation, which are allocated on the basis of estimates of time and effort.

**Income taxes**

GJP qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. GJP had no income from unrelated activities and has no income taxes due as of June 30, 2023 and 2022.

GJP's management believes there are no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. GJP is no longer subject to examination by federal, state or local tax authorities for periods before 2020.

**Recent adopted accounting guidance**

*ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*

The ASU requires that an NFP increase the transparency through enhancements to financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. For the year ending June 30, 2023, GJP adopted ASU 2020-07 has adjusted the presentation in the financial statements accordingly. This adjustment did not have a material impact on the financial statements for the year ended June 30, 2023.

**Subsequent events**

Subsequent events have been evaluated through October 31, 2023, which is the date the financial statements were available to be issued.

GEORGIA JUSTICE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**3. AVAILABILITY AND LIQUIDITY**

The following represents the GJP’s financial assets at June 30, 2023, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets:	
Cash and cash equivalents	\$ 1,225,136
Investments	1,797,498
Contributions receivable	1,109,017
Accounts receivable	<u>79,378</u>
	4,211,029
Less amounts unavailable to be used within one year:	
Net assets with donor restrictions	<u>1,647,132</u>
Financial assets available to meet general expenditures over the next year	
	\$ <u>2,563,897</u>

GJP’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in money market accounts.

**4. FAIR VALUE MEASUREMENTS**

GJP follows the provisions of Statement of Financial Accounting Standards Board (FASB) Accounting Standards Codification 820 (“ASC 820”), Fair Value Measurements and Disclosure, for financial assets and liabilities. Under ASC 820, fair value is based on 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. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

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

Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

GJP’s financial instruments measure at fair value on a recurring basis in accordance with ASC 820 as of June 30, 2023, are deemed as Level 1.

GEORGIA JUSTICE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**5. INVESTMENTS**

The fair value of investments is as follows at June 30, 2023:

Mutual funds	\$ 1,699,906
Exchange traded funds	96,568
Equities	<u>1,024</u>
	<u>\$ 1,797,498</u>

**6. PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2023 and 2022 consisted of the following:

	2023	2022
Land	\$ 598,500	\$ 598,500
Building	3,689,297	3,689,297
Capital improvements	216,320	216,320
Office furnishings	141,513	141,513
Office equipment	120,085	119,891
Program vehicles	70,360	70,360
Construction in progress	55,835	18,226
Less accumulated depreciation	<u>(889,736)</u>	<u>(797,727)</u>
Net fixed assets	<u>\$ 4,002,174</u>	<u>\$ 4,056,380</u>

**7. MORTGAGE PAYABLE**

On August 11, 2023, GJP refinanced its outstanding debt into a three-year note, with payments due monthly for interest and a balloon payment due on July 11, 2026. The interest rate is 5.30%. The debt is secured by real property.

Obligations under debt for the next five years are as follows for the year ended June 30:

2024	\$	-
2025		-
2026		-
2027		<u>2,362,000</u>
		<u>\$ 2,362,000</u>



GEORGIA JUSTICE PROJECT, INC.  
NOTES TO FINANCIAL STATEMENTS – Continued

**8. NET ASSETS**

Net assets with donor restrictions were as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Subject to expenditure for specific purpose:		
Time restricted	\$ 1,075,739	\$ 1,158,250
Initiatives	546,524	24,387
Capital Campaign	24,869	625,925
Total net assets with donor restrictions	\$ 1,647,132	\$ 1,808,562

Net assets with donor restrictions released from restrictions were as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Net assets released from restrictions:		
Capital Campaign	\$ 625,925	\$ 632,325
Time restrictions	208,250	928,742
Initiatives	24,387	250
Restorative Justice Project	-	17,635
SB288 implementation	-	500,000
Total net assets released from restrictions	\$ 858,562	\$ 2,078,952

**9. CONCENTRATION OF RISK**

GJP maintains its funds with financial institutions that insure cash balances up to \$250,000 through the Federal Deposit Insurance Corporation. As of June 30, 2023, GJP held funds of \$751,088 that exceeded the insured limits. GJP performs on-going evaluations of the financial institution to limit its concentration of credit risk exposure. GJP has not experienced any losses in such accounts and management believes GJP is not exposed to any significant credit risk related to cash.