

Justice at Work

Financial Statements
and
Independent Accountant's Review Report

June 30, 2025

Table of Contents

Independent Accountant's Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Justice at Work:

We have reviewed the accompanying financial statements of Justice at Work (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Justice at Work and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

JAMES A. GEORGE, P.C.
Andover, Massachusetts
December 9, 2025

Justice at Work, Inc.
Statement of Financial Position
June 30, 2025

Assets

Current Assets	
Cash	\$ 563,114
Contribution Receivable	59,949
Prepaid Expenses	<u>3,495</u>
Total Current Assets	<u>626,558</u>
Deposits Held in Trust	<u>2,509</u>
Other Long Term Assets	
Operating Right of Use Asset	<u>222,038</u>
Total Assets	<u><u>\$ 851,105</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable	\$ 64,717
Accrued Expenses	32,931
Short-Term Lease Liability	<u>42,239</u>
Total Current Liabilities	<u>139,887</u>
Long-Term Liabilities	
Long-Term Lease Liability	181,295
Deposits Held in Trust	<u>2,509</u>
Total Long-Term Liabilities	<u>183,804</u>
Total Liabilities	<u>323,691</u>
Net Assets	
With Donor Restrictions	242,433
Without Donor Restrictions	<u>284,981</u>
Total Net Assets	<u>527,414</u>
Total Liabilities and Net Assets	<u><u>\$ 851,105</u></u>

See accompanying notes and independent accountant's review report.

Justice at Work, Inc.
Statement of Activities
For the Year Ended
June 30, 2025

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 339,411	\$ 357,000	\$ 696,411
Special Events	9,433	-	9,433
Program Service Fees	47,299	-	47,299
Net Assets Released from Restrictions	259,567	(259,567)	-
 Total Public Support and Revenues	 655,710	 97,433	 753,143
 Expenses and Losses			
Program Expenses	695,103	-	695,103
Administrative Expenses	73,150	-	73,150
Fundraising Expenses	118,718	-	118,718
 Total Operating Expenses and Losses	 886,971	 -	 886,971
 Change in Net Assets	 (231,261)	 97,433	 (133,828)
Net Assets as of the Beginning of the Year	516,242	145,000	661,242
Net Assets as of the End of the Year	\$ 284,981	\$ 242,433	\$ 527,414

See accompanying notes and independent accountant's review report.

Justice at Work, Inc.
Statement of Cash Flows
June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (133,828)
Adjustments to Reconcile Change in Net	
Assets to Net Cash Provided by Operating Activities	
Amortization of Operating Right of Use Asset	46,262
(Increase) Decrease in Operating Assets	
Promises to Give	50,052
Prepaid Expenses	2,701
Increase (Decrease) in Operating Liabilities	
Accounts Payable	24,888
Operating Lease Liability	(46,433)
Accrued Expenses	(11,912)
	(68,270)
NET CASH USED BY OPERATING ACTIVITIES	(68,270)
NET DECREASE IN CASH	(68,270)
BEGINNING CASH	631,384
ENDING CASH	\$ 563,114

See accompanying notes and independent accountant's review report.

Justice at Work, Inc.
Statement of Functional Expenses
For the Year Ended
June 30, 2025

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 407,633	\$ 8,280	\$ 71,162	\$ 487,075
Payroll Taxes	33,453	680	5,840	39,973
Employee Benefits	57,082	7,768	10,630	75,480
Total Salaries and Related Expenses	<u>498,168</u>	<u>16,728</u>	<u>87,632</u>	<u>602,528</u>
Consultants	91,624	24,591	2,742	118,957
Occupancy	44,334	1,214	8,741	54,289
Professional Services	-	25,500	-	25,500
Office Expenses	16,809	3,720	6,753	27,282
Events	501	-	11,579	12,080
Research Expenses	11,531	-	-	11,531
Staff Training	8,462	245	60	8,767
Insurance	1,683	35	253	1,971
Litigation	9,406	-	-	9,406
Memberships, Subscriptions and Fees	2,985	263	274	3,522
Travel, Meetings and Conferences	9,222	53	684	9,959
Board Expenses	378	801	-	1,179
Total Expenses and Losses	<u>\$ 695,103</u>	<u>\$ 73,150</u>	<u>\$ 118,718</u>	<u>\$ 886,971</u>

See accompanying notes and independent accountant's review report.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Activities and Significant Accounting Policies

Nature of Activities

Justice at Work is a 501(c) (3) not-for-profit organization incorporated in the Commonwealth of Massachusetts on February 9, 2011. The Agency provides a mixture of employment and labor-related legal support by training, educating, referrals and representation, in order to address issues in relation to wage theft, unsafe conditions, discrimination, harassment and illegal retaliation.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

Financial Statement Presentation

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by management or the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Net assets with donor restrictions also includes the original amount of gifts and investment earnings required by the donor to be permanently retained. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

For the purpose of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash.

Accounts Receivable and Allowance for Credit Losses

The Agency's accounts receivables are recorded when litigation ends with favorable results or out of court settlements. Customers are typically provided with payment terms of 30 days. We have tracked historical loss information for our accounts receivable and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due, and more than 90 days past due). We believe that the historical loss information we have compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at June 30, 2025 because the composition of the accounts receivable at that date is consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time).

Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. The organization has not had any historical losses for the past several years. Accordingly, the allowance for credit losses at June 30, 2025 totaled \$0. There was no allowance for credit losses as of June 30, 2025 and no charge-offs or recoveries during the year.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of June 30, 2025, the allowance for doubtful promises to give was zero.

Deposits Held in Trust

The Agency deposits settlement and judgement proceeds into an account known as the Interest on Lawyer Trust Account (IOLTA). Agency fees are withdrawn from this account and the remaining balances at year-end represent client funds or funds that belong to third-party vendors working on the cases. Interest earned on the account goes to the Commonwealth to provide legal aid to indigent persons and support improvements to the justice system. The IOLTA funds are held by a financial institution in Massachusetts certified by the Massachusetts IOLTA Committee, a nonprofit organization.

Income Taxes

The Organization is exempt from income taxes as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws. The Organization accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statement regarding a tax position taken or expected to be taken on a tax return.

The Organization has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2025. The Organization's information returns are subject to examination by the federal and state jurisdictions and generally remain open for the most recent three years.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). 2025 Review groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 - Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 - Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 - Unobservable inputs that cannot be corroborated by observable market data.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time studies. All other costs are expensed directly to each category.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Fundraising Expense

Fundraising relates to the activities of raising general and specific contributions to the Organization and promoting special events. Fundraising expenses as a percentage of total contribution and special event revenue was 17% for the year ended June 30, 2025. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

Special Events

The Agency has determined that special events are incidental to its operations and therefore the direct costs of benefit to the donors is reported with fundraising expense and is not included with special events revenue. Immaterial amounts of the cost of direct benefits to donors are included in fundraising expenses on the statement of activities.

Revenue Recognition

The Organization earns revenue as follows:

Program Service Fees - Program service fee revenue transactions are considered to be reciprocal and are earned and recognized by the Agency when units or services are provided, and a successful outcome is achieved on behalf of the client. The Agency earns contingency attorney fees for legal services provided to clients. The Agency also earns co-counsel contingency attorney fees when cases are cocounseled with other private attorneys. The fees are split through a lodestar approach, which is a method of determining fees based on reasonable hourly rates and a reasonable number of hours and may involve adjustments to reflect the characteristics of a given action. The Agency earns referral fees by recommending or sending clients to third-party attorneys who also operate on a contingency fee basis. As of June 30, 2025, substantially all of the program service fees on the statement of activities were considered to be reciprocal transactions.

Contributions - In accordance with ASC Sub Topic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Contributions without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse. Contributions with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Grants - The Agency receives funding from various grantors for direct and indirect program costs associated with specific programs and projects. Various grants are subject to certain barriers as outlined in the agreement. Revenue is recognized as the barrier is met. For unconditional grants, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the grant is received or pledged, and the funds are released from restriction when the restriction has been met. Grants with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Special Events - Special event revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Special event contributions and fees are recognized as income when received.

In-kind Contributions - Donations other than cash are recorded at their estimated fair market value at the date of the gift. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Agency. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Substantially all of the Agency's revenue is derived from its activities in Massachusetts. During the year ended June 30, 2025, the Agency derived total revenue from operations from the following sources: 92% from contributions from foundations and individual donors, 6% from program service fees and 2% from special events and other income. All revenue is recorded at the estimated net realizable amounts.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note A – Nature of Activities and Significant Accounting Policies (Continued)

Leases

The Organization leases office space. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on our statement of net assets. Finance leases are included in property and equipment, other current liabilities, and other long term liabilities on our statement of net assets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, the Organization used 4% based on the information available at commencement date as the Organization's borrowing rate in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Financial instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2025, the Organization had \$112,714 in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of our mission. At June 30, 2025, 67% of contributions receivable was made up of two donors.

Note B – Cash

The Organization maintains deposits in one account with one financial institution. Financial instruments that potentially subject Justice at Work to concentrations of credit risk consist principally of cash and cash equivalents and investments. Justice at Work maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Justice at Work cash and cash equivalent accounts have been placed with high credit quality financial institutions. Justice at Work has not experienced, nor does it anticipate, any losses with respect to such accounts.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note C – Availability and Liquidity

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

Financial assets at Year End

Cash and cash equivalents	\$ 563,114
Promises to Give	59,949
	<hr/> 623,063
Less – Donor-imposed restrictions	(242,433)
Financial assets available to meet general expenditures over the next twelve months.	<hr/> <u>\$ 380,630</u>

The Agency is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Agency must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Agency's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note D – Lease Commitments

Justice at Work leases office space under a noncancelable operating lease agreement commencing March 1, 2025, and expiring February 28, 2030. The lease covers 1,250 rentable square feet at 33 Harrison Avenue, Boston, MA. Monthly base rent is \$4,167 in the first year, increasing annually to \$4,583 in the fifth year. The lease is a gross lease, with the landlord responsible for all utilities except communications.

The organization has elected to use the risk-free rate (4.00%) as the discount rate for all leases within this asset class, as permitted for nonpublic entities under ASC 842. The right-of-use asset and lease liability were initially recognized at \$237,897, representing the present value of future lease payments.

There are no renewal options included in the lease term. The lease may be terminated early under certain casualty or eminent domain events, as described in the lease agreement. No security deposit is required.

Justice at Work, Inc.
Notes to Financial Statements
June 30, 2025

Note D – Lease Commitments (Continued)

Future minimum payments to be made under the aforementioned lease are as follows for the years ending June 30:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Unamortized Discount</u>	<u>Total Minimum Payment</u>	<u>Amortization</u>
2026	\$ 42,239	\$ 8,178	\$ 50,417	\$ 47,580
2027	45,232	6,435	51,667	47,580
2028	48,349	4,568	52,917	47,580
2029	51,592	2,577	54,169	47,580
2030	36,122	545	36,667	31,718
	<u>\$ 223,534</u>	<u>\$ 22,303</u>	<u>\$ 245,837</u>	<u>\$ 222,038</u>

Note E - Net Assets

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2025, net assets with donor restrictions amounted to \$145,000, and are program restricted as follows:

<u>Restriction</u>	<u>Amount</u>
Legal assistance for labor disputes	\$ 7,000
Time Restricted	151,666
Legal assistance for immigrants	50,000
Legal training and assistance	33,767
	<u>\$ 242,433</u>

Net assets released from restrictions during the year ended June 30, 2025 were \$259,567, all from program restrictions.

Note F – Subsequent Events

The Organization has evaluated subsequent events through December 9, 2025 and the financial statements were available to be issued on December 9, 2025.