JUSTICE IN AGING

FIGHTING SENIOR POVERTY THROUGH LAW

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

JUSTICE IN AGING

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JUNE 30, 2023 AND 2022

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Independent Auditor's Report

The Board of Directors of
Justice in Aging
Washington, D.C.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Justice in Aging (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Justice in Aging as of June 30, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Justice in Aging 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 opinions.

Emphasis of Matter

As discussed in Note 2 of the financial statements, Justice in Aging adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842).* Our opinion is not modified with respect to this matter.

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 Justice in Aging'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 Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Report on Summarized Comparative Information

We have previously audited Justice in Aging's June 30, 2022 financial statements, and our report dated February 28, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The Board of Directors of
Justice in Aging

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of Justice in Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Justice in Aging's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Justice in Aging's internal control over financial reporting and compliance.

Councilor, Buchanan + Mitchell, P.C.

Bethesda, Maryland
February 22, 2024

Certified Public Accountants

JUSTICE IN AGING

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 6,685,958**	$ 6,944,033
Investments	**604,291**	-
Grants and Contributions Receivable, Current	**1,050,305**	1,601,335
Contracts Receivable	**127,291**	143,695
Accounts Receivable	**2,652**	20,437
Prepaid Expenses and Other Current Assets	**82,913**	71,156
Total Current Assets	**8,553,410**	8,780,656
Property and Equipment, at Cost	**90,608**	118,555
Less Accumulated Depreciation	**(70,148)**	(97,419)
Net Property and Equipment	**20,460**	21,136
Other Assets		
Grant Receivable - Net of Current Portion	**250,000**	647,348
Operating Right-of-Use Asset	**49,855**	-
Deposits	**2,464**	2,464
Total Other Assets	**302,319**	649,812
Total Assets	**$ 8,876,189**	$ 9,451,604
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	**$ 178,321**	$ 104,709
Accrued Vacation	**318,738**	238,183
Deferred Rent and Lease Incentive, Current Portion	**-**	23,330
Operating Lease Liability, Current Portion	**34,186**	-
Refundable Advances	**207,551**	85,170
Total Current Liabilities	**738,796**	451,392
Other Liability		
Deferred Rent and Lease Incentive, Net of Current Portion	**-**	1,565
Operating Lease Liability, Net of Current Portion	**16,091**	-
Total Liabilities	**754,887**	452,957
Net Assets		
Net Assets Without Donor Restrictions	**5,449,597**	5,204,716
Net Assets With Donor Restrictions	**2,671,705**	3,793,931
Total Net Assets	**8,121,302**	8,998,647
Total Liabilities and Net Assets	**$ 8,876,189**	$ 9,451,604

See accompanying Notes to Financial Statements.

JUSTICE IN AGING

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	**2023 Total**	2022 Total
Support and Revenue				
Grants and Contributions	$ 524,247	$ 2,488,875	**$ 3,013,122**	$ 7,302,835
Contracts	1,696,180	-	**1,696,180**	1,453,160
Special Events Revenue	186,631	-	**186,631**	268,572
Investment Income	246,126	-	**246,126**	5,886
Other Income	18,536	-	**18,536**	20,472
Attorney Fees Recovered	42,654	-	**42,654**	-
Net Assets Released from Restrictions				
Satisfaction or Program Restrictions	3,611,101	(3,611,101)	**-**	-
Total Support and Revenue	6,325,475	(1,122,226)	**5,203,249**	9,050,925
Expenses				
Program Services				
Health Care Advocacy	3,262,013	-	**3,262,013**	2,287,953
Economic Security Advocacy	1,484,772	-	**1,484,772**	1,154,460
Litigation	461,737	-	**461,737**	352,077
Total Program Services	5,208,522	-	**5,208,522**	3,794,490
Supporting Services				
General and Administrative	666,028	-	**666,028**	462,240
Fundraising	206,044	-	**206,044**	176,176
Total Supporting Services	872,072	-	**872,072**	638,416
Total Expenses	6,080,594	-	**6,080,594**	4,432,906
Change in Net Assets	244,881	(1,122,226)	**(877,345)**	4,618,019
Net Assets, Beginning of Year	5,204,716	3,793,931	**8,998,647**	4,380,628
Net Assets, End of Year	$ 5,449,597	$ 2,671,705	**$ 8,121,302**	$ 8,998,647

See accompanying Notes to Financial Statements.

JUSTICE IN AGING

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Program Services				Supporting Services				
	Health Care Advocacy	Economic Security Advocacy	Litigation	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	**2023 Total**	2022 Total
Salaries	$ 2,172,489	$ 1,012,116	$ 351,565	$ 3,536,170	$ 449,582	$ 80,063	$ 529,645	**$ 4,065,815**	$ 2,910,092
Employee Benefits	540,992	242,120	71,708	854,820	74,776	21,831	96,607	**951,427**	706,176
Professional Fees	90,889	38,289	5,500	134,678	22,485	21,326	43,811	**178,489**	101,762
Subcontractor Expenses	176,689	75,932	-	252,621	-	-	-	**252,621**	263,723
Occupancy	65,971	30,493	10,291	106,755	12,749	2,477	15,226	**121,981**	127,642
Storage	12,119	5,602	1,891	19,612	2,342	455	2,797	**22,409**	12,589
Travel	76,209	23,028	-	99,237	85,621	31,783	117,404	**216,641**	61,637
Direct Benefits to Donors	-	-	-	-	-	33,494	33,494	**33,494**	24,609
Office Supplies and Equipment	16,647	7,654	2,543	26,844	3,544	1,748	5,292	**32,136**	27,177
Printing and Postage	6,766	4,114	747	11,627	797	4,360	5,157	**16,784**	8,399
Telecommunications	7,588	3,497	1,377	12,462	1,449	282	1,731	**14,193**	17,679
Technology	41,188	16,752	3,657	61,597	4,531	880	5,411	**67,008**	78,961
Library Maintenance	16,431	7,594	5,563	29,588	802	1,579	2,381	**31,969**	23,993
Insurance	9,604	4,439	1,498	15,541	1,856	361	2,217	**17,758**	16,291
Dues and Membership	17,122	7,915	3,633	28,670	3,309	643	3,952	**32,622**	27,917
Depreciation and Amortization	6,914	3,196	1,079	11,189	1,336	260	1,596	**12,785**	12,507
Services Charges	4,395	2,031	685	7,111	849	4,502	5,351	**12,462**	11,752
Totals	$ 3,262,013	$ 1,484,772	$ 461,737	$ 5,208,522	$ 666,028	$ 206,044	$ 872,072	**$ 6,080,594**	$ 4,432,906

See accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	$ (877,345)	$ 4,618,019
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	12,785	12,507
Operating Lease Expense	121,982	-
Changes in Assets and Liabilities		
Decrease (Increase) in Grants and Contributions Receivable	948,378	(889,731)
Decrease (Increase) in Contracts Receivable	16,404	(33,673)
Decrease (Increase) in Accounts Receivable	17,785	(16,868)
Decrease (Increase) in Prepaid Expenses	735	(11,827)
Increase in Accounts Payable and Accrued Expenses	73,612	44,595
Increase in Accrued Vacation	80,555	1,947
Operating Lease Liability	(158,947)	-
Decrease in Deferred Rent and Lease Incentive	-	(13,460)
Increase in Refundable Advances	122,381	11,489
Net Cash Provided by Operating Activities	358,325	3,722,998
Cash Flows from Investing Activities		
Purchase of Investments	(604,291)	-
Purchases of Property and Equipment -	(12,109)	(14,944)
Net Cash Used in Investing Activities	(616,400)	(14,944)
Net (Decrease) Increase in Cash and Cash Equivalents	(258,075)	3,708,054
Cash and Cash Equivalents, Beginning of Year	6,944,033	3,235,979
Cash and Cash Equivalents, End of Year	$ 6,685,958	$ 6,944,033
Noncash Transactions from Investing and Financing Activities		
Establishment of Operating Right-of-Use Asset	$ 168,560	$ -
Establishment of Operating Lease Liability	181,052	-

See accompanying Notes to Financial Statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Justice in Aging (the Organization), incorporated in 1977 in the state of California, is a not-for-profit organization that fights senior poverty through law. Through the Organization's expertise in elder rights and the government programs that deliver health care and economic security to low-income seniors–such as Medicare, Medicaid, and Supplemental Security Income (SSI)–the Organization breaks down barriers low-income seniors face in meeting their basic needs. The Organization's work seeks to address the intersectional inequities faced by older adults of color, older women, LGBTQ older adults, older adults with disabilities, and older adults who are immigrants or have limited English proficiency. The effects of discrimination amplify throughout an individual's life, leading to poor health outcomes and financial precarity in older age. The disproportionate impact of the COVID-19 pandemic on those who have experienced discrimination throughout their lives led to the Organization launching a major initiative to advance equity in aging.

Justice in Aging's model of change relies on a unique combination of training, policy innovation, and impact litigation. Each year the Organization's attorneys provide trainings to more than 50,000 aging and disability attorneys, advocates, and service providers. Justice in Aging attorneys use information received from this network to identify problems in current systems and to develop and push for the adoption of policies to address these problems. If the Organization is not successful in persuading government agencies to adopt these policy proposals, the litigation team will develop litigation that will break down barriers to benefits. Throughout Justice in Aging's 51-year history, the Organization has litigated numerous precedent-setting cases, secured policy improvements at the federal and state levels that impact millions, secured billions of dollars in benefits for low-income older adults, and trained hundreds of thousands of legal advocates.

Health Care Advocacy

Justice in Aging ensures that low-income older Americans are able to access high quality, affordable health and long-term care. Using its expertise in both Medicare and Medicaid, the Organization advocates to ensure that health care services prioritize home and community-based services (HCBS) over institutions, honor choice, and include strong consumer protections. Further, by focusing its work on populations who have been marginalized and excluded from justice, the Organization addresses disparities in access to health care caused by discrimination based on race, ethnicity, English language proficiency, disability, gender identity, sexual orientation, or other potential disadvantages, which all can also be intersectional.

In 2023, the Organization's health care program is particularly focused on: (1) advocating for expanded access to programs that help older adults get the care they need at home instead of having to move into a nursing facility; (2) improving access to a full array of health care services through Medicare; and (3) advocating for an equitable health care system in which all older Americans have a right to quality care. We seek improved systems that address health disparities and inequities among older adults, ensure that every older adult has access to comprehensive home-based care, dental, vision, and hearing; protect rights of nursing facility residents, and expand Medicaid and other programs to ensure older adults can afford to access care.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Economic Security Advocacy

Justice in Aging preserves, strengthens, expands, and improves the income supports that help low-income older Americans afford food, shelter, and other basic necessities. The Organization uses its legal expertise to protect and improve programs such as Social Security and Supplemental Security Income (SSI) so they provide adequate funds to help low-income older Americans meet their basic needs; are accessible to all seniors who qualify without arbitrary disruptions, denials, or delays; and are delivered without discrimination based on race, ethnicity, language ability, disability, gender identity, sexual orientation, or other potential disadvantages, which all can also be intersectional. Because of lifelong inequities, older adults of color, LGBTQ older adults, women, immigrants, and others are more likely to have worked low-wage jobs–or have taken time out for family caregiving–that did not provide opportunities to save. As a result, many rely on benefits like SSI to survive, which is why the Organization focuses much of its economic security work on this program.

In 2023, the Organization is focused on increasing the economic security of low-income older adults, reducing barriers to programs that support older adults, and advocating for more investment in affordable, accessible housing for older adults at risk of homelessness. Goals include: (1) updating and rebuilding the SSI program so that it meets the needs of low-income older adults today and into the future; (2) identifying and addressing problems of, challenges to, or deficiencies in the services provided by the Social Security Administration to ensure that low-income older adults can access and maintain the Social Security and SSI benefits they depend on to meet their economic needs; (3) in housing, advancing policies and programs that maintain or provide shelter and services for low-income older adults experiencing or at-risk of homelessness; and (4) raising awareness about senior poverty through strategic communications and partnerships.

Litigation

As the only national organization focused solely on protecting the rights of low-income seniors, the Organization partners with advocates on the ground who help the Organization monitor and uncover issues that impact low-income older adults. If the Organization cannot remedy systemic problems through advocacy or policy change, it develops litigation that will break down barriers to benefits. Over the past 51 years, Justice in Aging has returned billions of dollars in benefits to hundreds of thousands of low-income older adults. The Organization has pro bono partnerships with some of the top law firms in the country, enabling it to file and win more cases that bring justice to older adults.

Justice in Aging's biggest litigation success in 2023 was settling a case against the Social Security Administration regarding improperly charged overpayments and reduced or discontinued critical SSI benefits during the COVID-19 pandemic. The settlement will impact over two million low-income older adults and people with disabilities who receive SSI and had their benefits reduced or discontinued during the pandemic. Nearly a quarter million SSI recipients will have their overpayments waived and back benefits credited to their accounts without having to take any action.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Litigation (Continued)

Other current litigation includes a lawsuit against the United States Department of Health and Human Services challenging a rule that requires states to trim their Medicaid rolls as a condition of receiving enhanced federal funding, causing people to lose critical Medicaid services during the ongoing public health emergency. Justice in Aging continues litigation filed in Massachusetts, which asserts that the Commonwealth is violating the Americans with Disabilities Act (ADA) for its failure to provide in-home supports that allow older adults and individuals with disabilities to live in the community, instead of being forced into institutions.

The Organization often works with its pro bono colleagues and other organizations to file amicus curiae briefs, in important cases throughout the country and with the Supreme Court, that have the potential to impact low-income seniors.

Elder Rights Advocacy

Justice in Aging's Elder Rights advocacy focuses on issues affecting autonomy and access to justice for low-income older adults, particularly older women, people of color, LGBTQ individuals, and people with limited English proficiency. The Organization's advocacy includes the areas of elder justice, guardianship and decision supports, access to justice, and digital equity. The Organization seeks to foster social structures and create policies that enable older adults to remain engaged in their communities and society as whole–free from the threat of abuse, neglect, and exploitation.

Justice in Aging runs the National Center on Law & Elder Rights (NCLER) under a federal contract with the Administration for Community Living (ACL). NCLER is a national legal resource center for the legal services and aging and disability networks, focused on the legal rights of older adults. Through NCLER, the Organization provides free legal training, written materials, and case consultations. The Organization also advises legal services providers on how to build capacity and improve legal services for older adults in their communities. Since launching NCLER in 2016, the Organization has seen tremendous growth in the project, and now reaches over 55,000 legal services, aging, and disability network members.

Basis of Presentation

The financial statement presentation follows generally accepted accounting principles in the United States of America (GAAP). The Organization prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the underlying obligations are incurred.

Revenue Recognition

Grants and Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Grants and Contributions (Continued)

Conditional grants and contributions are not recorded as revenue until the related conditions have been satisfied. Assets received in a conditional contribution are reported as a refundable advance until the conditions have been substantially met or explicitly waived by the donor. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Special events revenue is comprised of contributions received for the annual spring fundraising event and is recognized when the event occurs.

Contracts and Attorney Fees Recovered

Contracts from the federal government are recognized on a cost reimbursement basis to the extent of allowable costs at a point in time. Attorney fees recovered are recognized when services are provided.

Cash Equivalents

The Organization considers all short-term investments with original maturities of three months or less to be cash equivalents included in cash.

Investments

Investments are reported at the fair value based on quoted market prices on national exchanges.

Grants and Contributions, Contracts, and Accounts Receivable

Grants and contributions, contracts, and accounts receivable are recorded at the amount the Organization expects to collect on balances outstanding at the end of the fiscal year. Management closely monitors these receivables and charges off any balances that are determined to be uncollectible. As of June 30, 2023 and 2022, the Organization's allowance for doubtful accounts was $-0-. The Organization had no bad debt expense for the years ended June 30, 2023 and 2022.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is calculated on a straight-line basis over a three year or five year estimated useful life. Leasehold improvements are amortized over the terms of the leases. The Organization capitalizes purchases of $1,000 or more.

Right-of-Use Asset and Lease Liabilities

Lease liabilities are initially measured at the present value of minimum lease payments using a risk free rate that approximates the remaining term of the lease. The right-of-use assets are the lease liabilities adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring the Organizations right-of-use assets and lease liabilities. Operating lease expense is allocated over the remaining lease term on a straight-line basis.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-Use Asset and Lease Liabilities (Continued)

The Organization considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, the Organization does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

Refundable Advances

Funds received from donors in advance of the condition being met are recorded as refundable advances.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits, rent and storage, depreciation/amortization, and other operating costs that support various programs and functions. The basis of the allocations is direct salary costs which have been allocated to program and supporting functions based on documentation of employee time and effort.

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.

Income Taxes

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code (the Code) from the payment of taxes on income other than unrelated business income. No provision for income tax was required for the years ended June 30, 2023 and 2022, as the Organization had no net unrelated business income. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. The Organization requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include, or reflect, any uncertain tax positions. The Organization's IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by taxing authorities generally for three years after filing.

Reclassifications

Certain 2022 balances have been reclassified to conform to the current year presentation. Such reclassifications had no effect on the financial position or change in assets as previously reported.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncement Not Yet Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. Although receivables related to grants and contributions are expressly excluded from the new standard, other assets that fall within scope of ASU 2016-13 should be evaluated to determine if the measurement of expected credit losses is material. Management has not yet evaluated the impact of adopting the new standard. The new standard is effective for years beginning after December 15, 2022.

2. ADOPTION OF ACCOUNTING STANDARDS CODIFICATION TOPIC 842

During the year ended June 30, 2023, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in *Topic 840*. The Organization also adopted the following ASUs, which amend and clarify *Leases (Topic 842)*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic* 842, Leases; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2021-05, *Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new lease guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases on the statement of financial position.

The Organization adopted *Leases (Topic 842)* effective July 1, 2022, using the modified retrospective approach with July 1, 2022, as the initial date of application. Management has elected to apply all practical expedients available under the new guidance.

The most significant impact was the recognition of right-of-use assets and lease liabilities for all leases with terms greater than twelve months. Accordingly, an operating right-of-use asset and lease liability totaling approximately $169,000 and $181,000, respectively, was recognized as of July 1, 2022. Existing deferred rent of approximately $25,000 as of July 1, 2022, is included as a reduction to the initial measurement of the right-of-use asset for the operating lease.

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

The balance of grants and contributions receivable is as follows as of June 30, 2023 and 2022.

	2023	2022
Receivables in Less than One Year	**$ 1,050,305**	$ 1,601,335
One to Two Years	**250,000**	647,348
Total Grants and Contributions Receivable	**$ 1,300,305**	$ 2,248,683

4. COMMITMENTS AND CONTINGENCIES

Operating Lease under Topic 842

In 2007, the Organization entered into a sublease agreement for office space in Washington, D.C. The lease commenced in January 2008. The lease had an initial lease term of 10 years from the lease commencement date, with a five-year renewal option. The sublease agreement was renewed and commenced in January 2018 and expired June 30, 2023. The renewed sublease agreement had a lease term of 5 years from the lease commencement date. The monthly base rent was $8,116, with a fixed annual escalation of 2%. The Organization was also responsible for the proportionate share of increases in operating charges. The Organization received an abatement of the base rent during the first six months of the lease term. Subsequent to year end, the Organization entered into a sublease agreement for an additional six-month period and will be on a month-to-month basis for an undefined period until the lessor's office renovations are completed.

In 2014, the Organization entered into a lease agreement for office space in Los Angeles, California, which was renewed in May 2019. The renewed lease agreement has a lease term of 5 years from the lease commencement date. Monthly base rent is $2,873, with a fixed annual escalation of 3%. The Organization received a total credit against the monthly installment of the base rent for the first, twenty-fifth, and forty-ninth month of the extended lease period. The lease required a security deposit of $2,464 which is included in deposits in the accompanying statement of financial position.

Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term.

Maturity of the operating lease liability as of June 30, 2023, is as follows:

For the Years Ending June 30,	Amount
2024	$ 35,096
2025	16,167
Total Undiscounted Minimum Lease Payments	51,263
Less Discount to Present Value	(986)
Total Operating Lease Liability	$ 50,277

The supplementary qualitative operating lease information is as follows:

Supplementary Qualitative Operating Lease Information	Amount
Weighted-Average Remaining Lease Term (Years)	1.42
Weighted-Average Discount Rate	2.84%

Credit Risks

The Organization's demand deposits with financial institutions at times exceeded federally insured limits. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risks.

4. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Concentrations

As of June 30, 2023 and 2022, approximately 50% and 68%, respectively, of grants and contributions receivable consisted of amounts due from one donor. As of June 30, 2023 and 2022, all of the contracts receivable amounts were owed from the state of California and Department of Health and Human Services Office on Aging, respectively.

Contingencies

The spread of COVID-19 (coronavirus disease) has had a disruptive impact on the daily life and operations of individuals, businesses, and nonprofit organizations around the world. There is uncertainty about financial and economic impacts in all sectors of the economy. The financial markets have experienced significant volatility, and this may continue for an extended period of time. In light of these circumstances, the Organization continues to assess how best to adapt to changed circumstances.

5. RETIREMENT PLAN

The Organization sponsors a 403(b) tax-deferred annuity retirement plan for all full-time employees. Employees are immediately vested in employer contributions, which are at the discretion of the Organization's management and the Board of Directors. During the years ended June 30, 2023 and 2022, the Organization contributed 8% of each employee's gross salary. For the years ended June 30, 2023 and 2022, retirement expense was $314,668 and $230,652, respectively. These amounts are included in employee benefits in the accompanying statement of functional expenses.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Health Care Advocacy	**$ 1,688,431**	$ 2,148,822
Economic Security Advocacy	**716,103**	1,442,887
Litigation	**267,171**	202,222
Total	**$ 2,671,705**	$ 3,793,931

For the years ended June 30, 2023 and 2022, net assets releases from donor restrictions were as follows:

	2023	2022
Health Care Advocacy	**$ 1,685,437**	$ 1,220,103
Economic Security Advocacy	**1,764,212**	1,047,463
Litigation	**161,452**	46,464
Total	**$ 3,611,101**	$ 2,314,030

7. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's cash flows have seasonable variations due to the timing of grants and contributions. The Organization manages its liquidity to meet general expenditures, liabilities, and other obligations as they become due.

Quantitative Analysis

As of June 30, 2023 and 2022, the following financial assets and liquidity resources were available for general operating expenditures in the years ending June 30, 2024 and 2023.

	2023	2022
Financial Assets		
Cash and Cash Equivalents	**$ 6,685,958**	$ 6,944,033
Investments	**604,291**	-
Grants and Contributions Receivable	**1,050,305**	1,601,335
Contracts Receivable	**127,291**	143,695
Accounts Receivable	**2,652**	20,437
Total Financial Assets and Liquidity Resources Available	**8,470,497**	8,709,500
Less Amounts Unavailable for General Expenditures within One Year Due to Purpose Restrictions by Donor	**(2,671,705)**	(3,793,931)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	**$ 5,798,792**	$ 4,915,569

8. CONDITIONAL GRANTS, CONTRIBUTIONS, AND CONTRACTS

The Organization has received conditional promises to give, which have not been recorded as contribution revenue or assets as the required criteria under GAAP has not been met as of June 30, 2023.

Conditional promises to give at June 30, 2023 and 2022, consisted of the following:

	Conditional Balance		
Grant or Contract	**2023**	2022	Condition
Administration on Aging	**$ 140,210**	$ 204,545	Allowable Costs/Performance
State Bar of California	**1,079,559**	-	Allowable Costs/Performance
Foundation/Corporation	**1,663,388**	-	Allowable Costs/Performance
CA Department of Aging	**872,709**	-	Allowable Costs/Performance
Legal Aid Society of San Diego	**267,648**	22,259	Allowable Costs/Performance
Equal Justice Works	**-**	38,152	Allowable Costs/Performance
Total	**$ 4,023,514**	$ 264,956	

9. FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets (examples include equity securities);

9. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active (examples include corporate or municipal bonds);

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment (examples include certain private equity securities and split-interest agreements).

The following presents the Organization's assets and liabilities measured at fair value as of June 30, 2023:

	Fair Value	Level 1	Level 2	Level 3
Exchange Traded Products (ETPs)	$ 604,291	604,291	$ -	$ -
Total	$ 604,291	$ 604,291	$ -	$ -

10. SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through February 22, 2024, the date the financial statements were available to be issued.

Supplementary Information

JUSTICE IN AGING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Program Title/Pass-Through Grantor	Assistance Listing Number	Grant/Contract ID No.	Federal Expenditures
Direct Awards			
U.S. Department of Health and Human Services			
Administration for Community Living (ACL)			
Special Programs for the Aging, Title IV, and Title II Discretionary Projects	93.048	75P00121C00033	$ 204,545
Special Programs for the Aging, Title IV, and Title II Discretionary Projects	93.048	75P00121C00033/P0001	1,364,345
Total Special Programs for the Aging, Title IV, and Title II Discretionary Projects			1,568,890
Indirect Awards			
U.S. Department of the Treasury			
Pass-Through from State Bar of California			
Coronavirus State and Local Fiscal Recovery Funds	21.027	#76	172,931
Coronavirus State and Local Fiscal Recovery Funds	21.027	#5	186,799
Total Coronavirus State and Local Fiscal Recovery Funds			359,730
U.S. Department of Health and Human Services			
Pass-Through from Brandeis University			
Research and Development Cluster			
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	GR404441_JIA	9,657
Total Expenditures of Federal Awards			$ 1,938,277

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal contract activity of the Organization, under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

3. INDIRECT COST RATE

The Organization elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

4. SUBRECIPIENTS

There were no awards passed through to subrecipients.

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors of
Justice in Aging
Washington, D.C.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Justice in Aging's (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 22, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of financial statements, we considered Justice in Aging's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Justice in Aging's internal control. Accordingly, we do not express an opinion on the effectiveness of Justice in Aging's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Justice in Aging's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Directors of
Justice in Aging

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Justice in Aging's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Councilor, Buchanan & Mitchell, P.C.

Bethesda, Maryland
February 22, 2024

Certified Public Accountants

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CENTERED ON YOUR SUCCESS

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Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

The Board of Directors of
Justice in Aging
Washington, D.C.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Justice in Aging's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Justice in Aging's major federal programs for the year ended June 30, 2023. Justice in Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Justice in Aging complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Justice in Aging and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Justice in Aging's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Justice in Aging's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an

Auditor's Responsibilities for the Audit of Compliance (Continued)

opinion on Justice in Aging's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Justice in Aging's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Justice in Aging's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Justice in Aging's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Justice in Aging's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant

The Board of Directors of
Justice in Aging

Report on Internal Control over Compliance (Continued)

deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Councilor, Buchanan & Mitchell, P.C.

Bethesda, Maryland
February 22, 2024

Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency reported not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency reported not considered to be material weakness(es)?	None reported

Type of auditor's report issued on compliance for major programs:

Assistance Listing Number	Federal Grantor/Program Title	
	U.S. Department of Health and Human Services	
	Administration for Community Living (ACL)	
93.048	Special Programs for the Aging, Title IV, and Title II Discretionary Projects	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?	No

Identification of Major Programs

Assistance Listing Number	Federal Grantor/Program Title
	U.S. Department of Health and Human Services
	Administration for Community Living (ACL)
93.048	Special Programs for the Aging, Title IV, and Title II Discretionary Projects

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

Section II - Financial Statements Audit Findings

Significant Deficiencies

None were reported.

Section III - Federal Award Findings and Questioned Costs

Federal Award Findings

None were reported.

Questioned Costs

None were reported.

Financial Statement Audit Findings

None.

Federal Award Findings

None.