JAY NOLAN
COMMUNITY SERVICES, INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jay Nolan Community Services, Inc.

Opinion
We have audited the consolidated financial statements of Jay Nolan Community Services, Inc. and Jay Nolan Recreational Services (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jay Nolan Community Services, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Jay Nolan Community Services, 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 Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jay Nolan Community Services, Inc.'s ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

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

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Jay Nolan Community Services Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jay Nolan Community Services Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Jay Nolan Community Services, Inc.'s June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Green Hasson & Janks LLP

January 28, 2025
Los Angeles, California

JAY NOLAN COMMUNITY SERVICES, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
June 30, 2024
With Summarized Totals at June 30, 2023

ASSETS	2024	2023
Cash and Cash Equivalents	$ 12,704,678	$ 5,885,627
Investments	13,683,067	12,434,196
Accounts Receivable (Net)	3,437,617	3,554,890
Prepaid Expenses and Other Assets	446,862	507,551
Right of Use Asset - Operating	1,342,868	1,523,343
Property and Equipment (Net)	226,983	297,178
TOTAL ASSETS	$ 31,842,075	$ 24,202,785

LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	$ 120,556	$ 102,204
Accrued Liabilities	3,005,695	3,357,275
Operating Lease Liability	1,702,059	1,939,374
TOTAL LIABILITIES	4,828,310	5,398,853
NET ASSETS:		
Without Donor Restrictions	26,920,407	18,803,932
With Donor Restrictions	93,358	-
TOTAL NET ASSETS	27,013,765	18,803,932
TOTAL LIABILITIES AND NET ASSETS	$ 31,842,075	$ 24,202,785

The Accompanying Notes are an Integral Part of These Financial Statements

JAY NOLAN COMMUNITY SERVICES, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended June 30, 2024
With Summarized Totals for the Year Ended June 30, 2023

	2024			
	Without Donor Restrictions	With Donor Restrictions	Total	2023 Total
REVENUE AND SUPPORT:				
Program Service Fees	$ 36,912,529	$ 102,675	$ 37,015,204	$ 32,278,922
Contributions	496,809	-	496,809	411,119
Investment Return	1,465,967	-	1,465,967	752,357
Other Income	94,059	-	94,059	197,327
Net Assets Released from Restrictions	9,317	(9,317)	-	-
TOTAL REVENUE AND SUPPORT	38,978,681	93,358	39,072,039	33,639,725
EXPENSES:				
Program Services	26,617,560	-	26,617,560	24,107,993
Support Services:				
Management and General	4,107,859	-	4,107,859	4,197,120
Fundraising	136,787	-	136,787	59,435
TOTAL SUPPORT SERVICES	4,244,646	-	4,244,646	4,256,555
TOTAL EXPENSES	30,862,206	-	30,862,206	28,364,548
CHANGE IN NET ASSETS	8,116,475	93,358	8,209,833	5,275,177
Net Assets - Beginning of Year	18,803,932	-	18,803,932	13,528,755
NET ASSETS - END OF YEAR	$ 26,920,407	$ 93,358	$ 27,013,765	$ 18,803,932

The Accompanying Notes are an Integral Part of These Financial Statements

JAY NOLAN COMMUNITY SERVICES, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024
With Summarized Totals for the Year Ended June 30, 2023

	2024								
	Program Services			Total	Support Services		Total		
	So. Cal Supp Living	Family Support	Other Programs	Program Services	Management and General	Fundraising	Support Services	Total	2023 Total
Salaries	$ 9,656,308	$ 7,898,925	$ 3,720,520	$ 21,275,753	$ 2,180,715	$ 113,471	$ 2,294,186	$ 23,569,939	$ 21,493,670
Employee Benefits	1,022,842	552,273	325,652	1,900,767	462,198	5,220	467,418	2,368,185	1,997,076
Payroll Taxes	707,800	600,219	279,881	1,587,900	172,930	10,337	183,267	1,771,167	1,576,885
TOTAL PERSONNEL COSTS	11,386,950	9,051,417	4,326,053	24,764,420	2,815,843	129,028	2,944,871	27,709,291	25,067,631
Advertising	45,487	37,209	17,526	100,222	61,128	535	61,663	161,885	122,105
Automobile Mileage	146,850	219,544	69,398	435,792	5,182	-	5,182	440,974	380,629
Consultants	30,324	209	10,735	41,268	79,277	-	79,277	120,545	69,659
Copier Lease	16,843	13,777	6,489	37,109	3,804	198	4,002	41,111	37,500
Depreciation	41,227	33,724	15,884	90,835	9,310	484	9,794	100,629	88,984
Dues and Subscriptions	-	330	6,636	6,966	227,379	-	227,379	234,345	75,147
Facilities	35,244	63,143	92,076	190,463	333,726	-	333,726	524,189	411,692
Insurance	119,017	97,357	45,856	262,230	26,878	1,399	28,277	290,507	169,832
Miscellaneous Expense	2,159	6,246	9,743	18,148	115,233	-	115,233	133,381	57,771
Payroll Fees	125,200	102,414	48,239	275,853	28,274	1,471	29,745	305,598	256,041
Professional Fees	64,527	52,784	24,862	142,173	186,925	758	187,683	329,856	1,284,633
Supplies	-	4,425	11,568	15,993	83,730	2,694	86,424	102,417	74,513
Supported Living Costs	75,143	-	-	75,143	-	-	-	75,143	43,852
Telephone	30,929	43,342	24,989	99,260	65,844	220	66,064	165,324	139,420
Travel	1,027	27,226	33,432	61,685	65,326	-	65,326	127,011	85,139
TOTAL 2024 FUNCTIONAL EXPENSES	$ 12,120,927	$ 9,753,147	$ 4,743,486	$ 26,617,560	$ 4,107,859	$ 136,787	$ 4,244,646	$ 30,862,206	
				86%	14%	0%		100%	
TOTAL 2023 FUNCTIONAL EXPENSES	$ 11,861,942	$ 8,457,116	$ 3,788,935	$ 24,107,993	$ 4,197,120	$ 59,435	$ 4,256,555		$ 28,364,548
				85%	15%	0%			100%

JAY NOLAN COMMUNITY SERVICES, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended June 30, 2024
With Summarized Totals for the Year Ended June 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 8,209,833	$ 5,275,177
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Realized and Unrealized Losses (Gains) on Investments	(846,030)	(433,186)
Depreciation	100,629	88,984
(Increase) Decrease in:		
Accounts Receivable	117,273	(922,369)
Prepaid Expenses and Other Assets	60,689	(127,031)
Right of Use Asset - Operating	320,000	273,196
Increase (Decrease) in:		
Accounts Payable	18,352	45,374
Accrued Liabilities	(351,580)	1,352,410
Operating Lease Liability	(376,840)	(317,566)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,252,326	5,234,989
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(30,434)	(81,053)
Purchase of Investments	-	(3,601,280)
Reinvested Interest and Dividends	(402,841)	(266,085)
NET CASH USED IN INVESTING ACTIVITIES	(433,275)	(3,948,418)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,819,051	1,286,571
Cash and Cash Equivalents - Beginning of Year	5,885,627	4,599,056
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 12,704,678	$ 5,885,627
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Increase in Right-of-Use Assets	$ 139,524	$ 1,796,538
Increase in Lease Liabilities	(139,525)	(2,256,940)
Decrease in Deferred Rent	-	460,402

The Accompanying Notes are an Integral Part of These Financial Statements

NOTE 1 - ORGANIZATION

The mission of Jay Nolan Community Services, Inc. (JNCS) is to enable individuals with Autism Spectrum Disorder and other developmental disabilities to live fulfilling lives as members of the community by providing customized assistance to meet their individual needs.

JNCS, a nonprofit 501(c)(3) organization, was established in 1975 by members of the Autism Society of Los Angeles. Initially named Programs for the Developmentally Handicapped, Inc., JNCS operated a social and recreational program on Saturdays. Throughout the 1970's and 1980's, JNCS expanded to include group homes and day programs.

Jay Nolan Recreational Services (JNRS) was established in March 2024 and is dedicated to offering inclusive camp experiences for children with and without disabilities. This initiative fosters an environment that celebrates diversity and empowers every child to embrace their individuality. The camp's focus on inclusivity and neurodiversity is designed to create a setting where young minds can learn, play, and grow together.

In the early 1990's, the Board of Directors of JNCS advocated for a change from congregated living to more personalized and individualized support services. The senior management and Board of Directors then began changing the way JNCS provided services. JNCS began closing its group homes, moving individuals into their own homes or apartments and providing support services based on their needs. This led to other changes in the Organization, including how people spent their days and how families were supported. Individuals found they could hold real jobs, attend college classes and develop relationships in their community. JNCS developed Supported Employment and Personalized Day Support in order to provide individuals with the support needed to participate fully in their community.

To help individuals achieve their desires and goals, Circles of Support were established. Each Circle is guided by the individual being supported and is made up of friends, family members and staff who are all committed to joining with the individual to live the best life possible. As a result, individuals are able to live fulfilling lives as fully-inclusive members of their community.

To assist families to remain together, Family Support Services also made changes in the way they provided support to children and their parents. Community Facilitators support children in learning to be active members of their family, school and community. Alternative Families were found for children who could not remain with their birth families.

Today, JNCS remains virtually one of the only large-scale, metropolitan-based organizations to make a pervasive change from traditional services to individualized and personalized support. JNCS provides support services in Los Angeles and its surrounding counties and in Santa Clara County.

NOTE 1 - ORGANIZATION (continued)

JNCS believes that:

- All people have capacities and gifts.
- All people need a sense of belonging to a community.
- All people contribute to a community.
- Relationships and trust are equally fundamental for inclusion to happen.
- All people can live in their own home with the right support.
- All people should be treated with dignity and respect and have a right to privacy.
- For all persons, self-advocacy and empowerment should be promoted.
- All people have the right to be free from pain, coercion, and cruelty.
- All people have the right to be heard and their ideas acknowledged.

JNCS's philosophy is based on the belief that with the right kind of support and assistance, neuro-diverse individuals can pursue their hopes and dreams and live to their full potential within the community.

JNCS also continues its commitment to the employment arena. In addition to a Supported Employment Program, JNCS provides direct placement services for the California Department of Rehabilitation. JNCS firmly believes in transitioning people toward customized employment opportunities so that people with Autism Spectrum Disorder and other developmental disabilities can generate income and improve their quality of life.

JNCS continues to evolve and change itself to meet the unique needs of the people it supports. JNCS does this by listening and personalizing support and assistance to match the unique needs of each consumer and their families. It is JNCS's firm belief that all people, regardless of the challenges that they may have, can and should have a chance to live a valued life in the community.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

(b) PRINCIPLES OF CONSOLIDATION

JNRS and JNCS (collectively, the Organization) have the same board composition, and JNRS is dependent on the continuing support of JNCS and accordingly the consolidated financial statements include the accounts of JNCS and JNRS. All significant intercompany balances and transactions have been eliminated on consolidation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) NET ASSETS

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

- **Net Assets Without Donor Restrictions**. Net assets available for use in general operations and not subject to donor-imposed restrictions.

- **Net Assets With Donor Restrictions**. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. 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 donor restrictions.

(d) CASH AND CASH EQUIVALENTS

For financial statement purposes, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents at June 30, 2024 approximates its fair value.

The Organization maintains its cash and cash equivalents in major financial institutions in bank deposit accounts and money market accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The Organization does not recognize a reserve for expected credit losses related to its money market funds as management has concluded there is no risk of non-payment.

(e) INVESTMENTS

Investments are held in marketable securities with readily determinable market values and are reported at fair value. Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded as earned on an accrual basis, and dividend income is recorded based upon the ex-dividend date. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Unrealized gains and losses are included in investment return in the statement of activities and represent the change in the difference between the cost and fair value of investments held at the end of the fiscal year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) ACCOUNTS RECEIVABLE

Receivables are recorded when services are rendered and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for expected credit losses, represents their estimated net realizable value. The estimation of the allowance is based on an analysis of historical loss experience and management's assessment of current conditions and reasonable and supportable expectations of future conditions. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances do not share similar risk characteristics with the pools. The expense or recovery associated with the allowance for expected credit losses is recognized in management and general expense. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due.

(g) CONCENTRATION OF CREDIT RISKS

The Organization places its cash, cash equivalents and investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation's insurance limit. The Organization has not incurred losses related to these investments and believes it is not exposed to any significant credit risk on cash, cash equivalents and investments.

The primary accounts receivable balance outstanding at June 30, 2024 consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of the Organization's receivables consist of earned fees from contract programs granted by governmental agencies.

(h) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Maintenance and repair costs are charged to expense as incurred while renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is greater than or equal to one thousand dollars and the useful life is greater than one year.

Depreciation of property and equipment has been determined principally by the use of the straight-line method over the estimated useful lives of the related assets as follows:

Equipment and Machinery	3-5 Years
Furniture and Fixtures	10 Years
Leasehold Improvements	Remaining Life of Lease

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) LONG-LIVED ASSETS

The Organization evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the assets, in which case a write-down is recorded to reduce the related asset to its estimated value. No such impairment losses have been recognized during the year ended June 30, 2024.

(j) CONTRIBUTIONS AND GRANTS

The Organization recognizes grants and contributions when cash, securities, other assets or an unconditional promise to give are 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. There were no unconditional contributions at June 30, 2024.

(k) CONTRIBUTED GOODS AND SERVICES

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of unpaid volunteers have donated significant amounts of their time to the Organization, primarily in the areas of research, graphic art, data entry and fundraising activities. The services that these individuals rendered, however, do not meet the above recognition criteria and, as such, are not recognized as revenue.

(l) REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization's revenues from contracts with customers are generated from program service fees and supported employment. The Organization recognizes revenue from these revenue streams when the respective performance obligations are satisfied.

- Program service fee revenues are earned from contracts with Regional Centers and the Department of Rehabilitation. The performance obligation for such contracts consists of coordinating and delivering services to individuals with developmental disabilities. Site contracts exist with Regional Centers for a flat or hourly fee for services provided to qualifying consumers. Payment agreements are determined on a client-by-client basis. The Organization recognizes revenue from these contracts over time as the related services are provided.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

- Supported employment revenue relates to programs which are geared toward assisting people to work in a community-integrated work setting by providing coaching, assistance, mentoring, financial planning and benefits management. These revenues are recognized when the performance obligation of service delivery has been met.

Fees for revenues with contracts with customers, which are billed and collected are deferred and recognized as income in the period in which the related services are rendered. There were no contract assets or liabilities as of July 1, 2023 or June 30, 2024.

(m) ADVERTISING COSTS

The Organization expenses the costs of advertising as incurred. Total advertising expense was $111,030 for the year ended June 30, 2024.

(n) INCOME TAXES

JNCS is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

JNRS has filed for the exempt status under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d in March 2024 and is awaiting approval.

In accordance with the Financial Accounting Standards Board's (FASB) Accounting Standards Codification Topic No. 740, *Uncertainty in Income Taxes*, the Organization recognizes the impact of tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. During the year ended June 30, 2024, the Organization performed an evaluation of uncertain tax positions and did not note any matters that would require recognition in the consolidated financial statements or which might have an effect on its tax-exempt status.

(o) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Organization uses facility square footage and salary dollars to allocate indirect costs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) LEASES

The Organization recognizes and measures its leases in accordance with the FASB ASC 842, *Leases*. The Organization is a lessee in operating leases for regional centers facilities. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses the risk-free rate. The implicit rates of the Organization's leases are not readily determinable and accordingly, the Organization used the risk-free rate based on the information available at the commencement date for all leases.

The ROU asset is subsequently measured throughout the lease term at the amount of the re-measured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with short-term leases on a straight-line basis over the lease term.

(q) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(r) RECLASSIFICATIONS

For comparability, certain June 30, 2023 amounts have been reclassified, where appropriate, to conform to the consolidated financial statement presentation used at June 30, 2024.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) COMPARATIVE TOTALS

The consolidated financial statements include certain prior period summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2023 from which the summarized information was derived.

(t) NEW ACCOUNTING PRONOUNCEMENTS

In June 2016, the FASB issued Accounting Standards Update No. 2016-13 (ASU 2016-13), *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss impairment methodology previously used for certain financial instruments with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates in their measurement. The guidance has subsequently been amended through a series of targeted ASUs. The Organization implemented this ASU and amendments during the year ended June 30, 2024. Implementation of the ASU had no material impact on the consolidated financial statements.

(u) SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring subsequent to the statement of financial position date of June 30, 2024, for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through January 28, 2025, the date these consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred.

NOTE 3 - INVESTMENTS

The Organization has implemented the fair value standard. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

NOTE 3 - INVESTMENTS (continued)

The following table presents information about the Organization's assets that are measured at fair value on a recurring basis at June 30, 2024 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

		Fair Value Measurements Using		
	Year Ended June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities / Mutual Funds	$ 7,271,028	$ 7,271,028	$ -	$ -
Fixed Income / Bond Fund	3,646,785	3,646,785	-	-
Money Market Funds	2,765,254	2,765,254	-	-
TOTAL INVESTMENTS	$ 13,683,067	$ 13,683,067	$ -	$ -

The fair values of the investments within Level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 consist of the following:

Equipment and Machinery	$ 366,371
Furniture and Fixtures	74,246
Leasehold Improvements	483,748
TOTAL	924,365
Less: Accumulated Depreciation	(697,382)
PROPERTY AND EQUIPMENT (NET)	$ 226,983

Depreciation expense for the year ended June 30, 2024 was $100,629.

NOTE 5 - LEASES

The Organization leases various facilities from third parties which are accounted for as operating leases, with various terms expiring through April 2029. Some of the leases have renewal options of up to 5 years. The exercise of lease renewal options is at the Organization's discretion. The Organization has chosen to include the renewal term in the calculation of the ROU assets and related lease liabilities when such renewals are reasonably certain of being exercised. Leases with an initial term of 12 months or less, which are not expected to be renewed beyond one year, are not recorded on the statement of financial position and are recognized as lease expense on a straight-line basis over the lease term. As of June 30, 2024, the Organization recognized $1,342,868 of ROU assets and $1,702,059 of related lease liabilities for contracts that are classified as operating leases. Lease cost for the year ended June 30, 2024 was $447,290.

As of June 30, 2024, the weighted-average remaining lease terms of operating leases are approximately 3.94 years. The weighted-average discount rate used to determine the lease liabilities as of June 30, 2024 was approximately 3.12%.

Maturities of lease liabilities as of June 30, 2024 are as follows:

Years Ending June 30	
2025	$ 472,910
2026	445,016
2027	418,296
2028	414,790
2029	56,700
Total Lease Payments	1,807,712
Less: Imputed Interest	(105,653)
TOTAL	$ 1,702,059

NOTE 6 - ACCRUED LIABILITIES

Accrued liabilities at June 30, 2024 consist of the following:

Accrued Salaries	$ 1,002,466
Accrued Vacation	907,616
Legal Reserve	750,000
Other Accrued Liabilities	345,613
TOTAL ACCRUED LIABILITIES	$ 3,005,695

NOTE 7 - LINE OF CREDIT

The Organization has a revolving line of credit with a bank in the amount of $1,000,000 which bears interest at the Daily Simple SOFR plus 2.7%. The line of credit matures in June 2025 and is renewable on an annual basis in June. The line of credit is secured by substantially all the assets of the Organization. The Organization had no outstanding balance on the line of credit at June 30, 2024 and $1,000,000 is available at June 30, 2024. The Daily Simple SOFR was 5.33% at June 30, 2024.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

(a) CONTRACTS

The Organization's grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits, cannot be reasonably estimated and, accordingly, the Organization has made no provision for the possible disallowance of program costs on its consolidated financial statements.

(b) LEGAL PROCEEDINGS

In the ordinary course of conducting its business, the Organization becomes involved in various legal proceedings. Some of these proceedings may result in judgments being assessed against the Organization which, from time to time, may have an impact on changes in net assets. The Organization has established a reserve of $750,000 at June 30, 2024, to provide for negotiated settlements and potential adverse proceedings of known/anticipated legal proceedings. The reserve is included in accrued liabilities.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2024:

Subject to Expenditure for Specified Purpose:	
Transitional Age Youth Program	$ 50,000
Jay Nolan Recreational Services Camp	43,358
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	$ 93,358

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2024:

Satisfaction of Purpose Restriction:	
Jay Nolan Recreational Services Camp	$ 9,317
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	$ 9,317

NOTE 10 - PENSION PLAN

The Organization has an ERISA-qualified 403(b) plan with limited employer match. The employer's monthly matching contribution is discretionary. Participants vest at a rate of 33% per year with full vesting at three years of service for matching contributions. Employer matching contribution expense totaled $214,924 for the year ended June 30, 2024.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The total financial assets held by the Organization at June 30, 2024 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized in the following table:

Financial Assets at June 30, 2024	
Cash and Cash Equivalents	$ 12,704,678
Investments	13,683,067
Accounts Receivable (Net)	3,437,617
TOTAL FINANCIAL ASSETS AT JUNE 30, 2024	29,825,362
Less Amounts Not Available to Be Used within One Year, Due to:	
Donor-Imposed Restrictions:	
Funds Held with Purpose or Time Restrictions	(93,358)
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	$ 29,732,004

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES (continued)

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of the Organization'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.

To help manage unanticipated liquidity needs, the Organization has a line of credit facility of $1,000,000 that could be drawn from for current operations, if necessary.