FINANCIAL STATEMENTS

Year Ended December 31, 2024

with

Independent Auditors' Report

YOUTH, RIGHTS & JUSTICE

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Independent Auditors' Report

The Board of Directors
Youth, Rights & Justice

Opinion

We have audited the accompanying financial statements of Youth, Rights & Justice (YRJ), which comprise the statement of financial position as of December 31, 2024, 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 referred to above present fairly, in all material respects, the financial position of Youth, Rights & Justice as of December 31, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Youth, Rights & Justice and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Youth, Rights & Justice's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 the Youth, Rights & Justice'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 the Youth, Rights & Justice'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 the Youth, Rights & Justice's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hoffman, Stewart + Schmidt, P.C.

Lake Oswego, Oregon
June 11, 2025

YOUTH, RIGHTS & JUSTICE

Statement of Financial Position

December 31, 2024 *(With Comparative Amounts for 2023)*	**2024**	**2023**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 795,595	$ 1,852,864
Investments *(Note 3)*	2,192,329	1,449,734
Grants receivable	73,145	151,147
Other receivables	18,451	48,140
Certificate of deposit	51,888	-
Prepaid expenses	109,048	45,959
Total current assets	**3,240,456**	**3,547,844**
Long-term certificate of deposit	-	49,654
Property and equipment - net *(Note 4)*	44,499	32,938
Deposit	16,844	16,844
Operating lease right-of-use assets *(Note 5)*	394,255	592,726
Total assets	**$ 3,696,054**	**$ 4,240,006**
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued payroll expenses	$ 108,445	$ 80,552
Accrued vacation	236,398	197,373
Current portion of operating lease liabilities *(Note 5)*	214,015	206,336
Total current liabilities	**558,858**	**484,261**
Operating lease liabilities - net of current portion *(Note 5)*	213,294	427,309
Total liabilities	**772,152**	**911,570**
Net assets:		
Without donor restrictions *(Note 3)*	2,884,428	3,218,989
With donor restrictions *(Note 8)*	39,474	109,447
Total net assets	**2,923,902**	**3,328,436**
Total liabilities and net assets	**$ 3,696,054**	**$ 4,240,006**

The accompanying notes are an integral part of the financial statements.

YOUTH, RIGHTS & JUSTICE

Statement of Activities

Year Ended December 31, 2024 *(With Comparative Totals for 2023)*

	Without Donor Restrictions	With Donor Restrictions	Total 2024	Total 2023
Operating revenue and other support:				
OPDC contract revenue *(Note 6)*	$ 4,099,432	$ -	$ 4,099,432	$ 3,927,235
Contributions and grants *(Note 9)*	801,491	107,219	908,710	1,011,112
Fundraising event	168,597	-	168,597	175,960
Less direct costs	(59,445)	-	(59,445)	(56,485)
Net proceeds from fundraising event	109,152	-	109,152	119,475
Other	7,903	-	7,903	40,963
Net assets released from restriction *(Note 8)*	177,192	(177,192)	-	-
Net operating revenue and other support	**5,195,170**	**(69,973)**	**5,125,197**	**5,098,785**
Expenses:				
Program services	5,167,530	-	5,167,530	4,334,511
Management and general	296,270	-	296,270	300,307
Fundraising	230,057	-	230,057	254,262
Total expenses	**5,693,857**	**-**	**5,693,857**	**4,889,080**
Increase (decrease) from operations	**(498,687)**	**(69,973)**	**(568,660)**	**209,705**
Net investment return	164,126	-	164,126	152,197
Increase (decrease) in net assets	**(334,561)**	**(69,973)**	**(404,534)**	**361,902**
Net assets, beginning of year	3,218,989	109,447	3,328,436	2,966,534
Net assets, end of year	**$ 2,884,428**	**$ 39,474**	**$ 2,923,902**	**$ 3,328,436**

The accompanying notes are an integral part of the financial statements.

YOUTH, RIGHTS & JUSTICE

Statement of Functional Expenses

Year Ended December 31, 2024 *(With Comparative Totals for 2023)*

	Program Services						Total	
	Defense	Expunction Clinic & System Reform	Education	Total	Management and General	Fundraising	2024	2023
Salaries and related expenses	$ 3,271,916	$ 298,618	$ 695,345	$ 4,265,879	$ 272,294	$ 151,653	$ 4,689,826	$ 4,131,359
Occupancy	207,057	1,622	31,306	239,985	7,218	11,507	258,710	244,059
Professional services	220,576	44,650	43,135	308,361	10,553	45,931	364,845	320,961
Travel	31,949	175	12,003	44,127	16	323	44,466	37,731
Supplies, printing, and postage	185,958	1,177	5,108	192,243	887	8,153	201,283	32,906
Insurance	31,295	-	4,733	36,028	985	1,858	38,871	25,424
Training and conferences	18,742	183	2,563	21,488	2,789	3,326	27,603	32,452
Memberships	20,612	6,800	3,529	30,941	-	678	31,619	24,055
Discovery and case expenses	2,423	-	-	2,423	-	-	2,423	3,427
Depreciation and amortization	21,535	-	3,257	24,792	671	1,278	26,741	26,256
Miscellaneous	1,150	-	113	1,263	857	5,350	7,470	10,450
Total expenses	**$ 4,013,213**	**$ 353,225**	**$ 801,092**	**$ 5,167,530**	**$ 296,270**	**$ 230,057**	**$ 5,693,857**	**$ 4,889,080**

The accompanying notes are an integral part of the financial statements.

YOUTH, RIGHTS & JUSTICE

Statement of Cash Flows

Year Ended December 31, 2024 *(With Comparative Totals for 2023)*	**2024**	**2023**
Cash flows from operating activities:		
Cash received from OPDC	$ 4,099,432	$ 3,927,235
Cash received from contributors and grants	1,095,309	1,169,689
Interest and dividend income	77,181	32,513
Other receipts	8,665	40,963
Cash paid to employees and vendors	(5,640,908)	(4,802,753)
Net cash provided (used) by operating activities	**(360,321)**	**367,647**
Cash flows from investing activities:		
Purchase of investments	(657,884)	(27,801)
Purchases of property and equipment	(39,064)	(11,661)
Net cash used by investing activities	**(696,948)**	**(39,462)**
Net increase (decrease) in cash and cash equivalents	**(1,057,269)**	**328,185**
Cash and cash equivalents, beginning of year	1,852,864	1,524,679
Cash and cash equivalents, end of year	**$ 795,595**	**$ 1,852,864**

The accompanying notes are an integral part of the financial statements.

1. Nature of Activities

Youth, Rights & Justice (YRJ) advances the rights of children, parents, and families in the courts, schools, legislature, and community. Since YRJ's founding in 1975 as a program of Multnomah County Legal Aid, they have represented over 25,000 children and parents in the juvenile court system. In 1985, they became an independent nonprofit and are devoted exclusively to representing children, youth, and parents in juvenile court and at the Court of Appeals. Because of YRJ's unique position handling court-appointed juvenile cases, they often see the same systemic problems affecting many children and families, and they work to change the policies that contribute to these problems through legislative advocacy and impact litigation. In 2002, YRJ established their acclaimed and innovative SchoolWorks program, which helps children succeed in school. YRJ is recognized as a statewide expert and provides training and technical assistance to attorneys.

YRJ's primary source of revenue is from contracts with the Oregon Public Defense Commission (OPDC) (formerly Public Defense Services Commission, Office of Public Defense Services). The contracts expire June 30, 2025, and represented 79 percent of total revenue and support *(Note 6)*.

2. Significant Accounting Policies

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

Basis of Presentation - Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of YRJ and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of YRJ and/or the passage of time.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

2. Significant Accounting Policies - Continued

Measure of Operations - The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to YRJ's ongoing program services. Non-operating activities are limited to resources that generate return from investments.

Use of Estimates - The preparation of financial statements in conformity with GAAP 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used in the financial statements for, among other things, the estimated useful lives of property and equipment and the allocation of certain expenses by function.

Cash and Cash Equivalents - YRJ considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments are recorded at fair value as determined primarily by quoted market prices. The net increase or decrease in the fair value of investments, which consists of realized and unrealized gains or losses on those investments, is included with net investment return in the statement of activities, along with interest and dividend income, which is accrued as earned.

Fair Value Measurements - GAAP establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

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

Level 1: Quoted prices are available in active markets for identical assets or liabilities readily accessible at the reporting date.

Level 2: Pricing inputs are observable for the asset or liability, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1.

Level 3: Pricing inputs are unobservable for the asset or liability and may include significant management judgment or estimation.

Certificate of Deposit - The certificate of deposit is recorded at cost plus accumulated interest. The certificate of deposit matures November 2025 and is expected to be held to maturity.

2. Significant Accounting Policies - Continued

Contribution Recognition - YRJ recognizes contributions when cash, securities or other assets; an unconditional promise to give (including grants); or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Conditional contributions whose conditions are satisfied in the same reporting period in which the revenue is recognized are reported as an increase in net assets without donor restrictions.

At December 31, 2024, all grants receivable were due within one year.

YRJ 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 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. All contributions are considered without donor restrictions unless specifically restricted by the donor.

YRJ reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, YRJ reports expirations of donor restrictions of donated or acquired long-lived assets when the asset is placed into service.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of donated services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Noncash contributions or donated services during the year ended December 31, 2024 were not material to the financial statements.

Prepaid Expenses - YRJ records advance payments for goods and services that will benefit a future period as prepaid expenses. Prepaid expenses consist primarily of insurance.

Property and Equipment - Acquisitions of property and equipment in excess of $500 are capitalized. Capitalized property and equipment are stated at cost or, if donated, at fair market value at the time of receipt. Depreciation and amortization of property and equipment are calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Office furniture and equipment	4 - 8 years
Leasehold improvements	10 years

2. Significant Accounting Policies - Continued

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

The statement of functional expenses reports certain categories of expenses that are attributable to more than one program or supporting services function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, occupancy, certain professional services, supplies, printing and postage, depreciation and amortization, and certain other expenses. They are allocated using estimates of time and effort.

Financial Instruments with Concentrations of Risk - Financial instruments that potentially subject YRJ to concentrations of risk consist principally of cash equivalents, investments, and grants receivable. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible changes in the values of investment securities will occur in the near term and such changes could materially affect the market value reported in the financial statements. YRJ often maintains cash balances in excess of Federal Deposit Insurance Corporation limits.

Income Taxes - YRJ is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as YRJ has no activities subject to unrelated business income tax. YRJ is not a private foundation.

GAAP prescribes a recognition threshold and measurement process for accounting for uncertain tax positions, and also provides guidance on various related matters such as interest, penalties, and required disclosures. Management believes YRJ does not have any uncertain tax positions. YRJ files informational returns. Generally, the returns are subject to examination by income tax authorities for three years from the filing of a return. Interest or penalties assessed by taxing authorities, if any, would be included with management and general expenses. There are currently no tax examinations in progress for any periods.

Summarized Financial Information for 2023 - The accompanying financial information as of and for the year ended December 31, 2023, is presented for comparative purposes only and is not intended to represent a complete financial statement presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with YRJ's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

3. Investments

Investments are measured at fair value on a recurring basis using quoted prices in active markets. A summary of investments by type, along with how fair value was determined, is as follows at December 31:

	2024 (Level 1)	2023 (Level 1)
Investments measured at fair value:		
Equity mutual funds	$ 421,266	$ 403,901
Equity exchange traded funds	523,854	491,702
Bond exchange traded funds	590,584	524,162
	1,535,704	1,419,765
Cash	656,625	29,969
	$ 2,192,329	$ 1,449,734

Cash that is included in YRJ's investment portfolio is not subject to the fair value leveling requirements.

Investments have been designated by the Board of Directors for a Reserve Fund.

4. Property and Equipment - Net

Property and equipment consists of the following at December 31:

	2024	2023
Office furniture and equipment	$ 127,809	$ 203,791
Leasehold improvements	38,044	38,044
	165,853	241,835
Less accumulated depreciation and amortization	(121,354)	(208,897)
Property and equipment, net	$ 44,499	$ 32,938

5. Operating Leases

YRJ determines if an arrangement is a lease or a service contract at inception. A contract is determined to be or contain a lease if the contract conveys the right to control the use of an identified asset in exchange for consideration. When an arrangement is a lease, YRJ determines whether it is an operating lease or finance lease.

Leases result in recognition of right-of-use (ROU) assets and liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term. Lease liabilities represent the obligation to make lease payments, measured on a discounted basis. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU assets equal the lease liability, adjusted for any direct costs, prepaid or deferred rent, and lease incentives. YRJ has elected not to separate lease components from non-lease components, and to apply the short-term lease exception, which does not require the capitalization of leases with a term of 12 months or less. Short-term leases are recognized as expense on a straight-line basis over the term of the lease. Variable lease payments, if any, are recognized as lease expense in the period in which the obligation for payment is incurred.

YRJ leases its office and office equipment under operating leases with 5-year initial terms. The leases expire through December 2026. Some leases may include renewal options which can extend the lease term. The exercise of these renewal options are generally at the discretion of YRJ, and only lease options that YRJ believes are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities. The lease agreements do not include any residual value guarantees or restrictive covenants. YRJ has elected to use the risk-free interest rate of return as the discount rate for these leases as neither the rate implicit in the lease nor YRJ's incremental borrowing rate are readily determinable.

During the year ended December 31, 2024, lease expense for the operating leases totaled $202,390, and is included with occupancy expenses on the accompanying statement of functional expenses.

The following summarizes the cash flow information related to operating leases for the year ended December 31, 2024:

Cash paid for amounts included in the measurement of lease liabilities for operating leases included in operating cash flows	$ 210,255

Weighted average lease term and discount rate were as follows at December 31, 2024:

Weighted-average remaining lease term (in years) for operating leases	1.97
Weighted-average discount rate for operating leases	0.93%

5. Operating Leases - Continued

The maturities of operating lease liabilities were as follows as of December 31, 2024:

Years Ending December 31,	Amount
2025	$ 216,911
2026	214,180
	431,091
Less present value discount	(3,782)
Operating lease liabilities	427,309
Less current portion	(214,015)
Long-term portion	$ 213,294

6. OPDC Revenue

The majority of YRJ's revenue comes from contracts with OPDC, which are accounted for as conditional grants that are recognized as revenue when conditions stated in the contracts have been met. The contracts are conditioned on YRJ providing certain levels of legal representation services over the term of the contracts, which expire June 30, 2025.

Accordingly, at December 31, 2024, $1,897,899 was available under the contracts but was not recognized as revenue in the financial statements because YRJ had not yet provided the required legal representation services. The amount available is expected to be recognized as revenue over the term of the contracts.

7. Retirement Plan

YRJ maintains a 401(k) retirement plan and trust (the Plan). The Plan covers substantially all employees. Employees are eligible to participate in the plan the first day of the next month after their hire date. Employees are eligible for the employer match after 6 months of employment. YRJ offers a fixed match of 50 percent of up to 6 percent of employee salary deferrals and the match is 100 percent vested. Employer contributions to the Plan totaled $97,222 for the year ended December 31, 2024.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2024	2023
SchoolWorks program	$ 24,805	$ 59,659
Family Defense	-	30,269
Changing Lives Forever Fund	14,669	14,669
Other program purposes	-	4,850
	$ 39,474	$ 109,447

During the year ended December 31, 2024, net assets totaling $177,192, were released from restrictions by either incurring expenses related to the restricted purposes specified by donors or by the passage of time.

9. Contributions and Grants

Contributions and grants were received from the following sources during the years ended December 31:

	2024	2023
Foundations	$ 202,219	$ 299,685
Individuals and corporations	56,277	156,261
City of Portland	277,770	237,753
United States Department of Justice	279,899	305,913
OPDC retention incentive payments	91,991	-
Other grants	554	11,500
	$ 908,710	$ 1,011,112

The grant received from the City of Portland is conditioned on the incurrence of qualifying expenses. Accordingly, as of December 31, 2024, $137,299 of this grant was not recognized as revenue in the financial statements because qualifying expenses were not yet incurred. The grant period ends June 2025.

10. Liquidity and Availability of Financial Assets

YRJ's financial assets available for general expenditure within one year of the statement of financial position date are as follows:

	2024	2023
Cash and cash equivalents	$ 795,595	$ 1,852,864
Investments	2,192,329	1,449,734
Grants receivable	73,145	151,147
Other receivables	18,451	48,140
Certificate of deposit	51,888	-
Total financial assets available for general expenditures within one year	3,131,408	3,501,885
Less:		
Amounts unavailable for general expenditures within one year:		
Net assets with donor restrictions for specific purposes	(39,474)	(109,447)
Board designated Reserve Fund	(2,192,329)	(1,449,734)
Total financial assets available to management for general expenditures within one year	$ 899,605	$ 1,942,704

YRJ's board designated Reserve Fund is a component of net assets without donor restrictions. Although management intends to use this fund in accordance with provisions outlined by the Board of Directors, amounts could be available for current operations, if approved by the Board.

YRJ maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

11. Subsequent Events

Management has evaluated subsequent events through June 11, 2025, the date the financial statements were available for issue.