

LEGAL AID JUSTICE CENTER

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

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ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
LEGAL AID JUSTICE CENTER
CHARLOTTESVILLE, VIRGINIA

Opinion

We have audited the accompanying financial statements of Legal Aid Justice Center (a nonprofit organization) which comprise the statement of financial position as of June 30, 2025, 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 Legal Aid Justice Center as of June 30, 2025, and the changes in 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 Legal Aid Justice Center 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 Legal Aid Justice Center'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.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Legal Aid Justice Center'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 Legal Aid Justice Center'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 Legal Aid Justice Center's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Robinson, Farnum, Cox Associates

Richmond, Virginia
September 26, 2025

LEGAL AID JUSTICE CENTER
Statement of Financial Position
At June 30, 2025
(with comparative totals for 2024)

	2025	2024
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,305,531	\$ 1,570,548
Investments	16,289,410	8,934,438
Other receivables	1,763,886	193,928
Prepaid expenses	105,690	97,941
Total current assets	<u>\$ 19,464,517</u>	<u>\$ 10,796,855</u>
Noncurrent assets:		
Property and equipment, net	<u>\$ 1,159,963</u>	<u>\$ 1,313,086</u>
Total noncurrent assets	<u>\$ 1,159,963</u>	<u>\$ 1,313,086</u>
Other assets:		
Operating lease ROU assets	\$ 1,833,652	\$ 2,169,190
Deposits	34,746	34,696
Total other assets	<u>\$ 1,868,398</u>	<u>\$ 2,203,886</u>
Total assets	<u><u>\$ 22,492,878</u></u>	<u><u>\$ 14,313,827</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 263,242	\$ 206,963
Client deposits	3,000	-
Unearned revenue	43,387	30,644
Deferred rent	169,476	205,155
Lease liabilities	353,751	328,664
Deposits payable	2,979	2,979
Total current liabilities	<u>\$ 835,835</u>	<u>\$ 774,405</u>
Long-term liabilities:		
Lease liabilities	<u>\$ 1,599,685</u>	<u>\$ 1,953,436</u>
Total liabilities	<u>\$ 2,435,520</u>	<u>\$ 2,727,841</u>
Net assets:		
Net assets without donor restrictions		
Board designated	\$ 16,433,422	\$ 8,850,606
General	779,217	1,331,961
Property and equipment	1,159,963	1,313,086
Total net assets without donor restrictions	<u>\$ 18,372,602</u>	<u>\$ 11,495,653</u>
Net assets with donor restrictions	<u>1,684,756</u>	<u>90,333</u>
Total net assets	<u>\$ 20,057,358</u>	<u>\$ 11,585,986</u>
Total liabilities and net assets	<u><u>\$ 22,492,878</u></u>	<u><u>\$ 14,313,827</u></u>

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

LEGAL AID JUSTICE CENTER
Statement of Activities
For the Year Ended June 30, 2025
(with comparative totals for 2024)

	2025			2024
	Without donor restrictions	With donor restrictions	Total	
Support and revenue:				
Grants and contracts	\$ 5,086,616	\$ 4,127,371	\$ 9,213,987	\$ 6,396,920
Contributions	10,147,384	-	10,147,384	1,930,994
Investment income	661,473	-	661,473	631,367
Donated services	4,144,238	-	4,144,238	2,750,584
Other income	1,127,375	-	1,127,375	974,190
	<u>\$ 21,167,086</u>	<u>\$ 4,127,371</u>	<u>\$ 25,294,457</u>	<u>\$ 12,684,055</u>
Net assets released from restrictions				
Expiration of time or purpose restrictions	2,532,948	(2,532,948)	-	-
	<u>\$ 23,700,034</u>	<u>\$ 1,594,423</u>	<u>\$ 25,294,457</u>	<u>\$ 12,684,055</u>
Expenses:				
Program services:				
Legal assistance	\$ 13,827,633	\$ -	\$ 13,827,633	\$ 11,763,905
Supporting services:				
Management and general	1,767,622	-	1,767,622	1,568,034
Fundraising expenses	1,227,830	-	1,227,830	1,141,813
Total expenses	<u>\$ 16,823,085</u>	<u>\$ -</u>	<u>\$ 16,823,085</u>	<u>\$ 14,473,752</u>
Change in net assets	\$ 6,876,949	\$ 1,594,423	\$ 8,471,372	\$ (1,789,697)
Net assets, beginning of year	<u>11,495,653</u>	<u>90,333</u>	<u>11,585,986</u>	<u>13,375,683</u>
Net assets, end of year	<u>\$ 18,372,602</u>	<u>\$ 1,684,756</u>	<u>\$ 20,057,358</u>	<u>\$ 11,585,986</u>

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

LEGAL AID JUSTICE CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2025
(with comparative totals for 2024)

	2025				2024
	Program Services	Supporting Services		Total	
	Legal Assistance	Management and General	Fundraising		
Attorney salaries	\$ 2,486,014	\$ 954,353	\$ 90,819	\$ 3,531,186	\$ 3,112,142
Fringe benefits	1,860,076	262,248	210,829	2,333,153	2,064,471
Other professional salaries	3,906,109	22,445	662,095	4,590,649	4,305,109
Audit	-	10,700	-	10,700	12,500
Communication	68,408	10,115	8,013	86,536	2,924
Consultant fees	33,692	147,263	52,764	233,719	309,639
Consumables	28,056	4,148	3,286	35,490	33,628
Donated services and equipment	4,034,075	110,163	-	4,144,238	2,750,584
Equipment rental and repair	44,626	6,598	5,227	56,451	39,065
Fundraising	-	-	57,594	57,594	31,622
Insurance	-	61,112	-	61,112	57,088
Library expense	29,527	-	-	29,527	29,431
Litigation	49,213	-	-	49,213	53,723
Occupancy	505,638	76,806	57,604	640,048	663,753
Office dues	10,367	1,533	1,214	13,114	28,639
Other expenses	93,215	13,783	10,918	117,916	128,823
Postage	6,291	930	737	7,958	9,659
Recruiting	12,292	1,818	1,440	15,550	12,721
Subgrants	98,604	-	-	98,604	105,850
Technology upgrades	129,087	19,087	15,120	163,294	211,642
Training	154,974	22,915	18,152	196,041	98,795
Travel	130,749	19,333	15,314	165,396	200,063
Depreciation	146,620	22,272	16,704	185,596	211,881
Total expenses	<u>\$ 13,827,633</u>	<u>\$ 1,767,622</u>	<u>\$ 1,227,830</u>	<u>\$ 16,823,085</u>	<u>\$ 14,473,752</u>

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

LEGAL AID JUSTICE CENTER
Statement of Cash Flows
For the Year Ended June 30, 2025
(with comparative totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 8,471,372	\$ (1,789,697)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by (used for) operating activities		
Depreciation	185,596	211,881
Net (gain) loss on investments	(661,473)	(630,875)
(Increase) decrease in cash in escrow, client deposits	-	12,806
(Increase) decrease in other receivables	(1,569,958)	202,300
(Increase) decrease in prepaid expenses	(7,749)	21,906
(Increase) decrease in deposits	(50)	(20,518)
(Increase) decrease in right of use asset	335,538	289,035
Increase (decrease) in accounts payable	56,279	(9,359)
Increase (decrease) in client deposits	3,000	(12,806)
Increase (decrease) in unearned revenue	12,743	(263,507)
Increase (decrease) in deferred rent	(35,679)	(15,610)
Increase (decrease) in lease liabilities	(328,664)	(347,302)
Net cash provided by (used for) operating activities	<u>\$ 6,460,955</u>	<u>\$ (2,351,746)</u>
Cash flows from investing activities:		
Additions to property and equipment	\$ (32,473)	\$ (53,250)
Purchase of investments	(11,746,171)	(8,500)
Sale of investments	5,052,672	2,582,839
Net cash provided by (used for) investing activities	<u>\$ (6,725,972)</u>	<u>\$ 2,521,089</u>
Net increase (decrease) in cash and cash equivalents	\$ (265,017)	\$ 169,343
Cash and cash equivalents, beginning of year	<u>1,570,548</u>	<u>1,401,205</u>
Cash and cash equivalents, end of year	<u>\$ 1,305,531</u>	<u>\$ 1,570,548</u>

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

LEGAL AID JUSTICE CENTER
Notes to Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Legal Aid Justice Center (LAJC) is a non-profit corporation organized for the purpose of reducing poverty in Virginia through individual legal services, policy advocacy, impact litigation, and community organizing for low-income Virginians.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting in the United States.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand, cash in banks and certificates of deposit with original maturities of three months or less.

Investments

Investments are composed of equity securities, bonds, and other investments through mutual fund holdings. Investments in marketable securities and bonds with readily determinable fair values are reported at their fair values in the Statement of Financial Position. Unrealized and realized gains and losses are reflected in the Statements of Activities.

Property and Equipment

Building, land and equipment are stated at cost, if purchased, and at fair value at date of receipt, if donated. Expenditures for acquisition, renewals and betterments greater than \$5,000 are capitalized, whereas maintenance and repair costs are charged to expense as incurred. When properties are retired or otherwise disposed of, the appropriate accounts are relieved of costs and accumulated depreciation and any resultant gain or loss is recorded in the Statement of Activities.

Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the related assets. Useful lives range from 3 to 10 years for furniture, fixtures and equipment, 5 to 10 years for leasehold improvements, and 5 years for the law libraries. The building will be depreciated over a period of 30 years.

Classes of Net Assets

LAJC is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions. These financial statements report amounts separately by class of net assets as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions. LAJC has the greatest flexibility in spending these resources. At June 30, 2025, LAJC had net assets without donor restrictions of \$18,372,602.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Classes of Net Assets (Continued)

Net assets with donor restrictions - Net assets that are subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit LAJC's choices when using these resources because LAJC has a fiduciary responsibility to its donors to follow the donor's instructions. At June 30, 2025, LAJC had net assets with donor restrictions of \$1,684,756.

Contributions

Contributions are recognized when the donor makes a promise to give to LAJC that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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.

LAJC uses the allowance method to determine uncollectible unconditional contributions receivable. Historically, there have been no significant differences between the amounts reported and the amounts collected. Accordingly, no provision has been made for uncollectible amounts.

Grant contract support

LAJC recognizes grant funds as awarded.

Donated services

LAJC recognizes donated services as support. Donated services represent a variety of services the organization would otherwise have to pay for, including pro bono delivery of legal services, administrative support and other professional services. A matching expense is also recorded. The value of the donated services is recorded at fair value as determined by the board of directors each year. Other in-kind contributions are recorded when received at fair value as income and expense.

Income Taxes

Legal Aid Justice Center is a non-profit charitable organization as defined by Internal Revenue Code Section 501(c)(3) and is not subject to federal or state income taxes. LAJC is not considered to be a private foundation within the meaning of Section 509(a) of the Code. LAJC has no uncertain tax positions for the current year or prior year.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a financial basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on a funding basis. Any expenses that can be identified to a funding source are directly allocated to the appropriate grant.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Leases

Legal Aid Justice Center recognizes and measures its leases in accordance with FASB ASC 842, Leases. Legal Aid Justice Center is a lessee in an operating lease for office space. Legal Aid Justice Center 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. Legal Aid Justice Center recognizes a lease liability and a right to 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 Legal Aid Justice Center uses its incremental borrowing rate. Legal Aid Justice Center's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e. present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) and 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 straightline basis over the lease term.

NOTE 2 - INVESTMENTS:

The aggregate fair value, gross unrealized holding gains, gross unrealized holding losses, and amortized cost for available-for-sale investments at June 30, 2025 and 2024 are as follows:

2025				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market	\$ 12,732,801	\$ -	\$ -	\$ 12,732,801
Mutual funds	2,047,469	252,490	(30,032)	2,269,927
Exchange-traded products (Fixed-income/Bonds)	1,317,768	-	(67,050)	1,250,718
Equities - stock	23,375	12,589	-	35,964
	<u>\$ 16,121,413</u>	<u>\$ 265,079</u>	<u>\$ (97,082)</u>	<u>\$ 16,289,410</u>
2024				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market	\$ 3,317,022	\$ -	\$ -	\$ 3,317,022
Mutual funds	3,228,844	177,665	(138,093)	3,268,416
Treasury Bills	2,333,383	15,617	-	2,349,000
	<u>\$ 8,879,249</u>	<u>\$ 193,282</u>	<u>\$ (138,093)</u>	<u>\$ 8,934,438</u>

LEGAL AID JUSTICE CENTER
Notes to Financial Statements (Continued)
At June 30, 2025

NOTE 2 - INVESTMENTS: (CONTINUED)

Investment income for the year ended June 30, 2025 is as follows:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 258,983	\$ 230,422
Realized and unrealized gains (losses)	420,513	421,705
Investment fees	(18,023)	(20,760)
Total	<u>\$ 661,473</u>	<u>\$ 631,367</u>

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment, as of June 30, 2025 is summarized as follows:

	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	Cost or Value	Accumulated Depreciation	Cost or Value	Accumulated Depreciation
Property and Equipment	\$ 491,472	\$ 428,655	\$ 482,499	\$ 358,678
Property and equipment, donated	9,627	9,627	9,627	9,627
Land	100,000	-	100,000	-
Buildings	2,928,105	1,930,959	2,904,605	1,815,340
Law library, purchased	24,824	24,824	24,824	24,824
Law library, donated	13,085	13,085	13,085	13,085
	<u>\$ 3,567,113</u>	<u>\$ 2,407,150</u>	<u>\$ 3,534,640</u>	<u>\$ 2,221,554</u>

Depreciation expense for the year ended June 30, 2025 was \$185,596.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS:

Donor restricted net assets totaled \$1,684,756 as of June 30, 2025. Donor restricted net assets comprise grants that are restricted as to time, with expiration of the restriction on the entire balance anticipated by June 30, 2029.

NOTE 5 - PENSION PLAN:

LAJC has a pension plan which qualifies under Section 403(b) of the Internal Revenue Code, in which employees may elect to have amounts withheld from their salaries and invested in tax deferred annuities. Contributions to the plan totaled \$266,769 in 2025. LAJC shall determine, in its sole discretion, the amount of employer contribution to be made to the plan.

NOTE 6 - CONCENTRATION OF CREDIT RISK:

Financial instruments which potentially subject LAJC to concentration of credit risk consist principally of cash and unsecured receivables. Cash accounts are maintained at one financial institution in Central Virginia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. During the year the balance exceeds the insured amount, but management believes there is no significant credit risk because of close monitoring.

NOTE 7 - DONATED SERVICES AND PROPERTY:

LAJC received the following donated services for the year ended June 30, 2025:

	<u>2025</u>	<u>2024</u>
Attorney services (\$325 per hour)	\$ 1,890,600	\$1,274,540
Interns/Volunteers - legal services (\$125 per hour)	2,084,138	1,476,044
Interns/Volunteers - non-legal services (\$50 per hour)	169,500	-
	<u>\$ 4,144,238</u>	<u>\$2,750,584</u>

NOTE 8 - COMPARATIVE AMOUNTS:

The financial statements include certain prior-year 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with LAJC's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

NOTE 9 - OTHER RECEIVABLES:

Other receivables consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Grant funding	1,762,118	192,566
Other	1,768	1,362
	<u>1,763,886</u>	<u>193,928</u>

NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

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

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,305,531	\$ 1,570,548
Investments	16,289,410	8,934,438
Other receivables	<u>1,763,886</u>	<u>193,928</u>
Total financial assets	<u>\$ 19,358,827</u>	<u>\$ 10,698,914</u>
Less financial assets not available within one year:		
Donor restricted amounts	<u>\$ (486,079)</u>	<u>\$ -</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 18,872,748</u></u>	<u><u>\$ 10,698,914</u></u>

NOTE 11 - FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS:

The fair value framework requires the categorization of assets and liabilities into three levels based upon assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management or fund manager judgment. The three levels are as follows:

- Level 1. Unadjusted quoted prices in active markets for identical assets and liabilities that are accessible at the measurement date.
- Level 2. Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in inactive markets.
- Level 3. Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

All investments were measured at fair value by Level 1 valuation.

NOTE 12 - LEASE:

Legal Aid Justice Center has operating leases for offices located in Falls Church, Petersburg and Richmond, Virginia. The Falls Church office has an eight year lease through May 1, 2030 at a current base rent of \$23,619 per month, with a 2.5% annual rate increase. The Richmond office has a ten year lease through April 30, 2030 at a base rent of \$10,258 per month with a 2.5% annual increase. The Petersburg office has a three year lease through March 31, 2027 at a base rent of \$1,000 per month that allows for four, three year extensions.

LEGAL AID JUSTICE CENTER
Notes to Financial Statements (Continued)
At June 30, 2025

NOTE 12 - LEASE: (CONTINUED)

Amounts reported in the financial statements as of June 30, 2025 were as follows:

Operating leases:	
Operating lease ROU assets	\$ 1,833,652
Lease liabilities	\$ <u>1,599,685</u>

Future lease payments are as follows:

2026	\$ 454,423
2027	462,483
2028	464,844
2029	476,481
2030	406,668
Total	<u>\$ 2,264,899</u>
Less imputed interest	<u>\$ (665,214)</u>
Total lease liability	<u>\$ 1,599,685</u>

NOTE 13 - DATE OF MANAGEMENT'S REVIEW:

In preparing these financial statements, LAJC has evaluated events and transactions for potential recognition or disclosure through September 26, 2025, the date the financial statements were issued.