April 6, 2020

Gospel Justice Initiative, Inc. D.B.A. Administer Justice
c/o Bruce Strom
1750 Grandstand Place, #15
Elgin, IL 60123

Dear Bruce:

Enclosed please find 16 bound copies of the audited financial statements of Gospel Justice Initiative, Inc. D.B.A. Administer Justice for the years ended December 31, 2019 and December 31, 2018. If you have any questions, please do not hesitate to contact us.

Very truly yours,

Tighe, Kress & Orr, PC
Certified Public Accountants

Gospel Justice Initiative, Inc. D.B.A. Administer Justice

Audited Financial Statements

For the Years Ended December 31, 2019 and 2018

Gospel Justice Initiative, Inc. D.B.A. Administer Justice

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Independent Auditor's Report

To the Board of Directors of
Gospel Justice Initiative, Inc. D.B.A. Administer Justice
Elgin, Illinois

We have audited the accompanying financial statements of Gospel Justice Initiative, Inc. D.B.A. Administer Justice (the "Organization"), which comprise the statements of assets, liabilities, and net assets—modified cash basis as of December 31, 2019 and 2018, and the related statements of support, revenue, and expenses—modified cash basis, and statements of functional expenses—modified cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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CHICAGO — ELGIN — ST. CHARLES

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Organization as of December 31, 2019 and 2018, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Tighe Kress & Orr, PC

Elgin, Illinois
April 3, 2020

Gospel Justice Initiative, Inc. D.B.A. Administer Justice
Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
December 31, 2019 and 2018

Assets

	2019	2018
Current Assets:		
Cash and cash equivalents	$ 382,906	$ 270,068
Deposits	1,925	1,925
Total Current Assets	384,831	271,993
Property and Equipment, at cost:		
Furniture and equipment	25,681	25,681
Less accumulated depreciation	(22,889)	(21,767)
Property and Equipment, net	2,792	3,914
Long-term Asset Held for Sale	200,000	200,000
Total Assets	$ 587,623	$ 475,907

Liabilities and Net Assets

	2019	2018
Net Assets:		
Without donor restrictions	587,623	475,907
With donor restrictions	-	-
Total Net Assets	587,623	475,907
Total Liabilities and Net Assets	$ 587,623	$ 475,907

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

Gospel Justice Initiative, Inc. D.B.A. Administer Justice
Statements of Support, Revenue, and Expenses - Modified Cash Basis
For the Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:						
Contributions	$ 544,174	$ -	$ 544,174	$ 489,573	$ -	$ 489,573
Grants	156,067	-	156,067	56,737	-	56,737
Fundraising	134,406	-	134,406	114,077	-	114,077
Contributed services	1,274,001	-	1,274,001	212,777	-	212,777
Travel reimbursement	-	-	-	311	-	311
Honorariums	2,345	-	2,345	1,500	-	1,500
Memberships	14,000	-	14,000	9,118	-	9,118
Conferences	-	-	-	6,381	-	6,381
Program service revenue	24,164	-	24,164	7,302	-	7,302
Miscellaneous revenue	2,027	-	2,027	19,216	-	19,216
Interest	1,077	-	1,077	1,315	-	1,315
Contribution through merger	-	-	-	38,419	-	38,419
Total revenue and other income	2,152,261	-	2,152,261	956,726	-	956,726
Net Assets Released From Restrictions - Satisfaction of Program Restrictions	-	-	-	-	-	-
Expenses:						
Program services	1,948,538	-	1,948,538	645,657	-	645,657
Supporting services	41,599	-	41,599	21,086	-	21,086
Fundraising services	50,408	-	50,408	30,195	-	30,195
Total Expenses	2,040,545	-	2,040,545	696,938	-	696,938
Change in Net Assets	111,716	-	111,716	259,788	-	259,788
Net Assets, Beginning of Year	475,907	-	475,907	216,119	-	216,119
Net Assets, End of Year	$ 587,623	$ -	$ 587,623	$ 475,907	$ -	$ 475,907

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

Gospel Justice Initiative, Inc. D.B.A. Administer Justice
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2019

	Program Services	Supporting Services	Fundraising Services	Total Expenses
Expenses:				
Advertising	$ 21,862	$ -	$ -	$ 21,862
Bank fees	5,442	-	-	5,442
Benefits	3,709	-	-	3,709
Board expenses	4,150	-	-	4,150
Conference and meetings	13,198	-	-	13,198
Contract services	28,352	-	-	28,352
Contributed services	1,274,001	-	-	1,274,001
Depreciation	1,122	-	-	1,122
Facilities and equipment	67,955	-	-	67,955
Fundraising expense	-	-	50,408	50,408
Grant expense	5,000	-	-	5,000
Housing allowance	30,000	-	-	30,000
Insurance	28,627	-	-	28,627
Membership and dues	4,951	-	-	4,951
New center expense	7,387	-	-	7,387
Payroll taxes	25,619	1,352	-	26,971
Postage	2,050	-	-	2,050
Printing and publication	9,640	-	-	9,640
Salaries	384,819	40,247	-	425,066
Staff expenses	1,331	-	-	1,331
Supplies	2,859	-	-	2,859
Technology	8,266	-	-	8,266
Telephone	8,478	-	-	8,478
Travel and meals	6,850	-	-	6,850
Volunteer expenses	2,870	-	-	2,870
Total Expenses	$ 1,948,538	$ 41,599	$ 50,408	$ 2,040,545

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

Gospel Justice Initiative, Inc. D.B.A. Administer Justice
Statement of Functional Expenses - Modified Cash Basis
For the Year Ended December 31, 2018

	Gospel Justice Initiative Program	Administer Justice Program	Total Program Services	Supporting Services	Fundraising Services	Total Expenses
Expenses:						
Advertising	$ 706	$ -	$ 706	$ -	$ -	$ 706
Benefits	2,060	-	2,060	-	-	2,060
Board expenses	270	32	302	-	-	302
Business expenses	135	6,640	6,775	5,199	-	11,974
Conference and meetings	35,814	-	35,814	2,882	-	38,696
Contract services	70,306	-	70,306	-	-	70,306
Contributed services	-	212,777	212,777	-	-	212,777
Donations	25,000	-	25,000	-	-	25,000
Facilities and equipment	31,419	14,404	45,823	-	-	45,823
Fundraising expense	-	-	-	-	29,929	29,929
Grant expense	2,881	-	2,881	-	-	2,881
Housing allowance	45,420	-	45,420	-	-	45,420
Insurance	3,473	-	3,473	347	266	4,086
Membership and dues	840	80	920	-	-	920
New center expense	2,935	-	2,935	-	-	2,935
Payroll taxes	3,412	4,604	8,016	604	-	8,620
Postage	604	334	938	-	-	938
Printing and publication	2,322	-	2,322	-	-	2,322
Salaries	99,964	60,190	160,154	12,054	-	172,208
Supplies	2,440	2,505	4,945	-	-	4,945
Technology	6,105	1,291	7,396	-	-	7,396
Telephone	2,807	1,053	3,860	-	-	3,860
Travel and meals	2,266	323	2,589	-	-	2,589
Volunteer expenses	-	245	245	-	-	245
Total Expenses	$ 341,179	$ 304,478	$ 645,657	$ 21,086	$ 30,195	$ 696,938

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

Note 1 – Significant Accounting Policies

Nature of Activities:
Gospel Justice Initiative, Inc. D.B.A. Administer Justice (the "Organization") is an Illinois not-for-profit organization whose purpose is to train and equip churches, attorneys, and individuals to establish and run legal aid centers designed to provide legal services to low income individuals. The Organization is supported primarily by contributions and grants from governmental, corporate, and private sources.
Notes
Basis of Accounting:
The accounting records are maintained on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under this method, revenues and the related assets are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred, except for cash receipts and expenditures from special events, which are recognized in the year the event occurs.

Use of Estimates:
The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains, and expenses during the reported period. Actual results could differ from these estimates.

Basis of Presentation:
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Update ("ASU") 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions include undesignated and board-designated sources with no legal donor-imposed restrictions.

Net assets with donor restrictions represent net assets subject to donor-imposed or legal restrictions; which will either be met by the Organization's actions, the passage of time, or are perpetual in nature. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the restrictions are met or have expired. These reclassifications are reported in the Statement of Support, Revenue, and Expenses – Modified Cash Basis as net assets released from restrictions.

Note 1 – Significant Accounting Policies (continued)

Contributions:
The Organization accounts for contributions in accordance with the recommendations in FASB ASC 958-225. In accordance with FASB ASC 958-225, contributions and grants received are recorded as support and revenue with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by donors. Unrestricted contributions are recognized when received.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support, if any, is reported as an increase in net assets with donor restrictions. When a donor restriction expires, such as when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets released from restrictions and reported in the Statement of Support, Revenue, and Expenses – Modified Cash Basis as net assets released from restrictions.

Cash and Cash Equivalents:
The Organization, for the purposes of reporting cash flows, defines cash and cash equivalents as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Property and Equipment:
Fixed assets are recorded at cost, if purchased, or at their estimated fair market value at the time received if donated. Expenditures for repairs and maintenance are charged to expenses as incurred, whereas renewals and betterments that extend the lives of property are capitalized. The Organization follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of $2,500. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The useful lives of furniture and equipment are 5 to 7 years.

	2019	2018
Furniture and equipment	$ 25,681	$ 25,681
Less: accumulated depreciation	(22,889)	(21,767)
Net property and equipment	$ 2,792	$ 3,914

During 2018 a building was donated to the Organization, valued at $200,000. The Organization is holding the building for sale. There was no depreciation expense recorded for the building for the year ended December 31, 2019 and 2018, as it is being held for sale. Subsequent to year-end the building was sold, as described in Note 6.

Note 1 – Significant Accounting Policies (continued)

Concentrations of Credit Risk:
The Organization maintains its principal cash accounts at a local commercial bank. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. One investment account, totaling approximately $42,000 was not FDIC insured. The Organization does not consider this balance to be exposed to any significant credit risk.

Functional Allocation of Expenses:
The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses – Modified Cash Basis. Accordingly, certain costs have been allocated among the programs, fundraising activities, and supporting services benefited.

Liquidity:
The Organization has $384,831 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of $382,906 and deposits of $1,925. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a goal to maintain financial assets, consisting of cash, on hand to meet one and a half months of budgeted normal operating expenses and other current obligations.

Income Tax Status:
The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements.

The Organization adopted the implementation of FASB ASC 740. Under FASB ASC 740, management must evaluate the positions it has taken on tax returns. Management has determined that there are no tax provisions that more likely than not would not be sustained under a potential audit or examination.

Pending Accounting Changes:
In February 2016, the FASB issued ASU No. 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital of operating, with only capital leases recognized on the balance sheet. The reporting of lease reported expenses in the statement of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending after December 31, 2019 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented.

Note 1 – Significant Accounting Policies (continued)

The new lease standard is expected to result in corresponding increase to assets and liabilities resulting from the Organization's current operating leases; however, the amount has not been quantified. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

Note 2 – Leasing Arrangements

The Organization leases its office space under a two-year lease that expired on August 31, 2019. After August 31, 2019 the lease is month-to-month. Payments of $2,705 are made on a monthly basis. In addition, monthly payments are required for the Organization's proportionate share of real estate taxes and common area maintenance fees. Rent was $47,179 and $11,400 for the years ended December 31, 2019 and 2018, respectively.

The Organization also leases office equipment under operating leases. Monthly payments of $19 are made for the lease of a postage meter that will expire in June 2020. Monthly payments of $231 are made for the lease of a copier that will expire in December 2024. Future minimum lease payments will be made by the Organization as follows:

For the year ended December 31,		
2020	$	2,884
2021		2,770
2022		2,770
2023		2,770
2024		2,770
Total	$	13,964

Note 3 – Contributed Services

The Organization receives donated services from unpaid volunteers. Donated services are recognized as contributions in accordance with FASB ASC 958-225 if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. An estimated value for the professional services of the attorneys, paralegals, interpreters, bookkeepers, and board volunteers has been recognized in the Statement of Support, Revenue and Expenses – Modified Cash Basis, having met the criteria for recognition. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses or assets. During the year ended December 31, 2019 and 2018, donated services amounted to approximately $1,274,001 and $212,777, respectively.

Note 4 – Merger

The Organization merged with Administer Justice, Inc., a related nonprofit organization, as of September 17, 2018. Cash and other assets totaling approximately $38,500 were transferred to the Organization and recognized as a donation in the Statement of Support, Revenue and Expenses – Modified Cash Basis. All activity for Administer Justice, Inc. from the date of the merger to December 31, 2018 is reported in the Organization's financial statements for the year ended December 31, 2018. The total change in net assets from Administer Justice totaled $115,568.

Note 5 – Subsequent Event

Subsequent to year-end, on January 2, 2020, the Organization sold the building that was being held for sale. Payment of $186,037 was received and a loss on the sale of $13,963 was recorded.

Note 6 – Reclassification

Certain reclassifications have been made to the 2018 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Note 7 – Date of Management's Review

Subsequent events have been evaluated through the date of this report, which is the date the financial statements were available to be issued. Other than as disclosed in Note 5, it was concluded that there are no subsequent events required to be disclosed.