

ADMINISTER JUSTICE

Financial Statements
With Independent Auditor's Report

December 31, 2025 and 2024



ADMINISTER JUSTICE

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Administer Justice
Elgin, Illinois

Opinion

We have audited the accompanying financial statements of Administer Justice (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years 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 Administer Justice as of December 31, 2025 and 2024, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Administer Justice, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Administer Justice's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Administer Justice
Elgin, Illinois

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 Administer 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 Administer 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.

Capin Crouse LLC

Naperville, Illinois
April 7, 2026

ADMINISTER JUSTICE

Statements of Financial Position

	December 31,	
	2025	2024
ASSETS:		
Cash and cash equivalents	\$ 331,381	\$ 333,603
Cash held for board designation	5,867	14,573
Investments	1,220,176	1,180,224
Investments held for board designation	277,000	477,000
Prepaid expenses and other assets	28,765	19,112
Total Assets	<u>\$ 1,863,189</u>	<u>\$ 2,024,512</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 12,844	\$ 14,179
Accrued expenses and other liabilities	61,479	45,090
Total liabilities	<u>74,323</u>	<u>59,269</u>
Net assets:		
Without donor restrictions	<u>1,788,866</u>	<u>1,965,243</u>
Total net assets	<u>1,788,866</u>	<u>1,965,243</u>
Total Liabilities and Net Assets	<u>\$ 1,863,189</u>	<u>\$ 2,024,512</u>

See notes to financial statements

ADMINISTER JUSTICE

Statements of Activities

	Years Ended December 31,	
	2025	2024
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenues:		
Contributions	\$ 849,286	\$ 830,229
Grants	214,750	182,000
Program service revenue	78,595	87,323
Contributed services and nonfinancial assets	3,837,507	3,552,549
Investment income	130,812	111,485
Other income	-	2,226
Total Support and Revenue	<u>5,110,950</u>	<u>4,765,812</u>
Expenses:		
Program services	4,758,412	4,635,848
Supporting activities:		
General and administrative	238,205	142,178
Fundraising	290,710	135,130
Total Expenses	<u>5,287,327</u>	<u>4,913,156</u>
Change in Net Assets Without Donor Restrictions	(176,377)	(147,344)
Net Assets, Beginning of Year	<u>1,965,243</u>	<u>2,112,587</u>
Net Assets, End of Year	<u>\$ 1,788,866</u>	<u>\$ 1,965,243</u>

See notes to financial statements

ADMINISTER JUSTICE

Statements of Cash Flows

	Years Ended December 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (176,377)	\$ (147,344)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gains on investments	(88,982)	(60,801)
Reinvested dividends and interest	(51,901)	(60,811)
Change in prepaid expenses and other assets	(9,653)	(4,326)
Change in accounts payable	(1,335)	2,435
Change in accrued expenses and other liabilities	16,389	38,701
Net Cash Used by Operating Activities	<u>(311,859)</u>	<u>(232,146)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(371,691)	(1,157,507)
Sale of investments	672,622	1,373,867
Net Cash Provided by Investing Activities	<u>300,931</u>	<u>216,360</u>
Net Change in Cash, Cash Equivalents, and Cash Held for Board Designations	(10,928)	(15,786)
Cash, Cash Equivalents, and Cash Held for Board Designations, Beginning of Year	<u>348,176</u>	<u>363,962</u>
Cash, Cash Equivalents, and Cash Held for Board Designations, End of Year	<u>\$ 337,248</u>	<u>\$ 348,176</u>

See notes to financial statements

ADMINISTER JUSTICE

Notes to Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

Administer Justice (the Organization) was organized and incorporated as an Illinois nonprofit corporation 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. Prior to April 2021, Administer Justice was known as Gospel Justice Initiative (d/b/a Administer Justice), effective April 1, 2021, the name was legally changed to Administer Justice.

The Organization is incorporated under the laws of the state of Illinois to operate as a charitable organization within Section 501(c)(3) of the U.S. Internal Revenue Code (Code). The Organization is exempt from federal and state income taxes and contributions are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a public organization that is not a private foundation under Section 509(a) of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASU).

USE OF ESTIMATES

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to fair value of investments in debt and equity securities and allocation of functional expenses.

CASH, CASH EQUIVALENTS, AND CASH HELD FOR BOARD DESIGNATIONS

Cash, cash equivalents, and cash held for board designations include checking accounts and cash held in investment accounts. These accounts may, at times, exceed federally insured limits. At December 31, 2025 and 2024, the Organization's cash balance exceeded federally insured limits by approximately \$62,000 and \$34,000, respectively.

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Notes to Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CASH, CASH EQUIVALENTS, AND CASH HELD FOR BOARD DESIGNATIONS, continued

Cash on the statements of financial position consists of the following:

	December 31,	
	2025	2024
Cash and cash equivalents	\$ 331,381	\$ 333,603
Cash held for board designation	5,867	14,573
	<u>\$ 337,248</u>	<u>\$ 348,176</u>

INVESTMENTS AND INVESTMENTS HELD FOR BOARD DESIGNATION

Investments and investments held for board designation consist of mutual funds and U.S. government securities and are reported at fair value using quoted prices in active markets for identical or similar assets. The Organization reports investment income and gains and losses on investments as increases or decreases in net assets without donor restrictions, unless a donor or law restricts their use.

NET ASSETS

The financial statements report amounts by class of net assets.

Net assets without donor restrictions are those available for operations at the discretion of management and the board to be used to further the exempt purposes of the Organization and those invested in property and equipment. As of December 31, 2025 and 2024, board designated funds were \$282,887 and \$491,573, respectively.

Net assets with donor restrictions are funds which have been contributed with donor stipulations for specific operating purposes, and amounts for which timing restrictions related to pledges receivable have not been met. For restricted funds received and disbursed in the same year, it is the Organization's policy to not separately present these on the statements of activities. As of December 31, 2025 and 2024, there are no net assets with donor restrictions.

SUPPORT AND REVENUE

Contributions and grants are recognized when made, which may be when cash is received, unconditional promises are received or contributed services are provided. Donated investments are recognized at the quoted market price (fair value) on the date of donation. At December 31, 2025, the top two donors contributed approximately 19% of total donations and at December 31, 2024, the top four donors contributed approximately 42% of total donations.

Program service revenue consists of client copay fees for legal services and is recognized when the associated performance obligations are satisfied, which is when legal services are provided. Other income is recorded when earned, or when the associated performance obligation is satisfied.

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Notes to Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CONTRIBUTED SERVICES AND NONFINANCIAL ASSETS

The Organization receives contributed services from unpaid volunteers and various contributed nonfinancial assets. Contributed services and assets are recognized as contributions if the services create or enhance non-financial assets or 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, and interpreters and the contributed nonfinancial assets have been recognized in the statements of activities having met the criteria for recognition. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses or assets.

EXPENSES, ADVERTISING, AND JOINT COSTS

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based on the amount of hours worked by employees related to each category. There were no advertising or joint costs incurred for the years ended December 31, 2025 and 2024.

Expenses by natural classification and functional allocation are as follows as of December 31, 2025:

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Professional and volunteer expenses	\$ 3,833,277	\$ 36,686	\$ -	\$ 3,869,963
Salaries, taxes and benefits	742,652	135,102	205,503	1,083,257
Conference space rental and supplies	32,515	2,324	78,158	112,997
Information technology	71,003	13,756	2,258	87,017
Occupancy	54,841	3,411	2,862	61,114
Advertising	-	14,414	-	14,414
Miscellaneous	24,124	32,512	1,929	58,565
	<u>\$ 4,758,412</u>	<u>\$ 238,205</u>	<u>\$ 290,710</u>	<u>\$ 5,287,327</u>

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Notes to Financial Statements

December 31, 2025 and 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

Expenses by natural classification and functional allocation are as follows as of December 31, 2024:

	Program Services	General and Administrative	Fundraising	Total
Professional and volunteer expenses	\$ 3,576,094	\$ 34,068	\$ -	\$ 3,610,162
Salaries, taxes and benefits	848,165	54,265	109,400	1,011,830
Information technology	78,946	17,520	2,042	98,508
Occupancy	55,547	3,754	2,917	62,218
Conference space rental and supplies	24,994	7,796	13,230	46,020
Advertising	-	10,471	-	10,471
Miscellaneous	52,102	14,304	7,541	73,947
	\$ 4,635,848	\$ 142,178	\$ 135,130	\$ 4,913,156

3. INVESTMENTS:

The Organization's investment holdings are as follows:

	December 31,	
	2025	2024
Mutual funds	\$ 1,196,612	\$ 1,357,693
U.S. government securities	300,564	299,531
	\$ 1,497,176	\$ 1,657,224

Investments on the statements of financial position consist of the following:

	December 31,	
	2025	2024
Investments	\$ 1,220,176	\$ 1,180,224
Investments held for board designation	277,000	477,000
	\$ 1,497,176	\$ 1,657,224

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Notes to Financial Statements

December 31, 2025 and 2024

3. INVESTMENTS, continued:

Investment income on the statements of activities are as follows:

	Year Ended December 31,	
	2025	2024
Realized and unrealized gains	\$ 88,982	\$ 60,801
Dividends and interest	51,901	60,811
Investment fees	(10,071)	(10,127)
	<u>\$ 130,812</u>	<u>\$ 111,485</u>

The Organization uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. The valuations for each of these levels are determined as follows:

Level 1 - Quoted prices for identical instruments traded in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets or model-based valuations where significant assumptions are observable.

Level 3 - Model-based techniques using significant assumptions that are not observable. These unobservable assumptions reflect estimates of assumptions that market participants would use.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position.

Mutual funds are valued based on quoted market prices on national securities exchanges and are classified as Level 1 in the fair value hierarchy.

U.S. Government Securities are valued using observable inputs for similar instruments. These funds are categorized in Level 2 of the fair value hierarchy.

Changes in valuation techniques: None during the years ended December 31, 2025 and 2024.

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Notes to Financial Statements

December 31, 2025 and 2024

3. INVESTMENTS, continued:

The table below presents the level within the fair value hierarchy at which investments are measured at December 31, 2025:

	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 1,196,612	\$ 1,196,612	\$ -	\$ -
U.S. government securities	299,531	-	299,531	-
	\$ 1,496,143	\$ 1,196,612	\$ 299,531	\$ -

The table below presents the level within the fair value hierarchy at which investments are measured at December 31, 2024:

	Total	Level 1	Level 2	Level 3
Mutual funds	\$ 1,357,693	\$ 1,357,693	\$ -	\$ -
U.S. government securities	299,531	-	299,531	-
	\$ 1,657,224	\$ 1,357,693	\$ 299,531	\$ -

4. CONTRIBUTED SERVICES:

For the years ended December 31, 2025 and 2024, contributed services and nonfinancial assets recognized within the statements of activities included:

	December 31,	
	2025	2024
Attorney services	\$ 1,752,395	\$ 1,627,671
Attorney support services	2,073,382	1,924,878
Laptops	11,730	-
	\$ 3,837,507	\$ 3,552,549

Contributed services and nonfinancial assets are not donor restricted in nature as of December 31, 2025 and 2024, and are included in the contributed services and nonfinancial assets in the year received. Hourly rates applied to the services donated are valued using the latest legal trends report published by a reputable third party and is publicly available. Hours are reported by the volunteers for the services donated to the Organization and are recognized as revenue and expense using the appropriate hourly rate. Donated laptops are reported at the estimated purchase price at the time of donation.

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Notes to Financial Statements

December 31, 2025 and 2024

5. NET ASSETS

Net assets without donor restrictions consist of the following

	December 31,	
	2025	2024
Undesignated	\$ 1,505,999	\$ 1,473,670
Board designated reserves	282,867	491,573
	<u>\$ 1,788,866</u>	<u>\$ 1,965,243</u>

6. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the Organization's financial assets, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or due to contractual or donor-imposed restrictions, or because the governing board has set aside the funds for specific contingency reserves and projects within one year of the statements of financial position date. These board designations could be drawn upon if the board approves that action.

	December 31,	
	2025	2024
Financial assets:		
Cash and cash equivalents	\$ 331,381	\$ 333,603
Cash held for board designated contingency fund	5,867	14,573
Investments	1,220,176	1,180,224
Investments held for board designated contingency fund	277,000	477,000
	<u>1,834,424</u>	<u>2,005,400</u>
Less those unavailable for general expenditures within one year, due to:		
Cash held for board designated contingency fund	(5,867)	(14,573)
Investments held for board designated contingency fund	(277,000)	(477,000)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,551,557</u>	<u>\$ 1,513,827</u>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of the Organization's liquidity management, it has established guidelines for making decisions related to managing short term cash reserves in a prudent manner.

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Notes to Financial Statements

December 31, 2025 and 2024

7. RETIREMENT PLAN

The Organization provides a SIMPLE IRA Plan. All employees are eligible to participate in the Plan, and the Organization provided a matching contribution up to 3% of eligible compensation. For the years ended December 31, 2025 and 2024, the Organization made contributions in the amount of \$24,885 and \$23,588, respectively.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 7, 2026, which represents the date the financial statements were available to be issued.