

CENTER ON JUVENILE & CRIMINAL JUSTICE

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2025

**(With summarized comparative financial information
for the year ended June 30, 2024)**

(With Independent Auditors' Report Thereon)

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CENTER ON JUVENILE & CRIMINAL JUSTICE

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Center on Juvenile & Criminal Justice
San Francisco, CA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Center on Juvenile & Criminal Justice ("the 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 present fairly, in all material respects, the financial position of the Center on Juvenile & Criminal Justice as of June 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the 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 opinions.

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 the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 and *Government 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.

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Auditor's Responsibilities for the Audit of the Financial Statements - continued

In performing an audit in accordance with generally accepted auditing standards and Government 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 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 the 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 the Center's June 2024, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2025. 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 June 30, 2024, audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Center's internal control over financial reporting and compliance.

KPM Accounting & Management Solutions

San Ramon, California
December 29, 2025

CENTER ON JUVENILE & CRIMINAL JUSTICE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(With comparative financial information as of June 30, 2024)

	June 30,	
ASSETS:	2025	2024
Current assets:		
Cash and cash equivalents	\$ 186,158	\$ 373,482
Government grants receivable (Note 3)	1,615,979	1,335,502
Prepaid expenses and deposits	92,427	111,949
Restricted deposits:		
Operating reserve	71,505	221,462
Replacement reserve	25,204	25,199
Total current assets	1,991,273	2,067,594
Property and equipment - net (Note 4)	842,388	913,193
Total assets	<u>\$ 2,833,661</u>	<u>\$ 2,980,787</u>
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 229,722	\$ 330,185
Accrued liabilities (Note 5)	269,799	254,964
Contract settlement payable (Note 6)	51,771	86,271
Notes payable - current portion (Note 8)	-	40,205
Total current liabilities	551,292	711,625
Long-term liabilities:		
Notes payable - net of current portion (Note 8)	970,906	972,482
Total liabilities	1,522,198	1,684,107
Net assets:		
Without donor restrictions:	748,963	959,180
With donor restrictions (Note 11)	562,500	337,500
Total net assets	1,311,463	1,296,680
Total liabilities and net assets	<u>\$ 2,833,661</u>	<u>\$ 2,980,787</u>

See accompanying notes to financial statements.

CENTER ON JUVENILE & CRIMINAL JUSTICE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(With summarized comparative financial information as of June 30, 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions
Support, revenue and Income:				
Grants & contract income (Note 9)	\$ 2,511,836	\$ 600,000	\$ 3,111,836	\$ 2,657,851
Contributions	45,875	-	45,875	43,367
Other income	7,838	-	7,838	12,028
Interest income	48	-	48	76
Total support, revenue and income before release of restrictions	2,565,597	600,000	3,165,597	2,713,322
Net assets released from restrictions	375,000	(375,000)	-	-
Total support, revenue and income	2,940,597	225,000	3,165,597	2,713,322
Expenses:				
Program services	2,331,602	-	2,331,602	2,228,222
Support services:				
General and administrative	630,163	-	630,163	606,827
Fund development	189,049	-	189,049	170,402
Total support services	819,212	-	819,212	777,229
Total expenses	3,150,814	-	3,150,814	3,005,451
Change in net assets	(210,217)	225,000	14,783	(292,129)
Net assets, beginning of year	959,180	337,500	1,296,680	1,588,809
Net assets, end of year	\$ 748,963	\$ 562,500	\$ 1,311,463	\$ 1,296,680

See accompanying notes to financial statements.

CENTER ON JUVENILE & CRIMINAL JUSTICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(With comparative financial information as of June 30, 2024)

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Change in net assets	\$ 14,783	\$ (292,129)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	83,988	87,981
(Increase) decrease in assets:		
Government grants receivable	(280,477)	11,366
Prepaid expenses	19,522	(33,819)
Restricted deposits	149,952	489,814
Increase (decrease) in liabilities:		
Accounts payable	(100,463)	17,524
Accrued liabilities	14,835	10,671
Contract settlement payable	(34,500)	(93,316)
Net cash provided by / (used in) operating activities	<u>(132,360)</u>	<u>198,092</u>
Cash flows from investing activities:		
Purchase of property, equipment and library books	(13,183)	(35,812)
Net cash (used in) investing activities	<u>(13,183)</u>	<u>(35,812)</u>
Cash flows from financing activities:		
Principal payments on notes payable	(41,781)	(39,507)
Net cash (used in) financing activities	<u>(41,781)</u>	<u>(39,507)</u>
Net increase / (decrease) in cash and cash equivalents	(187,324)	122,773
Cash and cash equivalents, beginning of year	<u>373,482</u>	<u>250,709</u>
Cash and cash equivalents, end of year	<u><u>\$ 186,158</u></u>	<u><u>\$ 373,482</u></u>
Supplemental Disclosures:		
Cash paid for interest	<u><u>\$ 2,901</u></u>	<u><u>\$ 5,175</u></u>

See accompanying notes to financial statements.

CENTER ON JUVENILE & CRIMINAL JUSTICE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

(With comparative financial information as of June 30, 2024)

(1) ORGANIZATION AND NATURE OF ACTIVITIES

Center on Juvenile & Criminal Justice (“the Center”) is a nonprofit organization. The objective of the Center is to reduce society’s reliance on the use of incarceration as a solution for social problems through the provision of programs to persons facing imprisonment. The Center primarily derives its income from various agreements with government agencies.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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. Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period incurred.

(b) Basis of Presentation

The financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (the FASB ASU 2016-14). In accordance with the Non-Profit Entities, the Center 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 – consists of amounts that are available for use in carrying out the supporting activities of the Center and are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or passage of time. When a restriction is satisfied, the associated amount is reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

All gifts of cash and other assets are reported as with donor restrictions 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 is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

(c) Contributions and Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

CENTER ON JUVENILE & CRIMINAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(With comparative financial information as of June 30, 2024)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Government Grants Receivable

Accounts receivable are receivables from governmental agencies. Therefore, no allowance for doubtful accounts has been provided.

(e) Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

Level 1 inputs - quoted prices in active markets for identical assets

Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets

Level 3 inputs - estimates using the best information available when there is little or no market

The Center is required to measure non-cash contributions at fair value. The specific techniques used to measure fair value for the financial statement element is described in the notes below that relate to the element.

(f) Concentration of Credit Risks

The Center places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Center has not incurred losses related to these investments.

(f) Concentration of Credit Risks - continued

The primary receivable balance outstanding on June 30, 2025, and 2024, consists of government contract receivables due from city, county, and state granting agencies. Concentration of credit risks with respect to trade receivables are limited, as the majority of the Center's receivables consist of earned fees from contract programs granted by governmental agencies.

(g) Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five hundred dollars and the useful life is greater than one year.

(h) Donated Materials and Services

Contributions of donated non-cash assets are measured and recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that 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 fair value in the period received.

CENTER ON JUVENILE & CRIMINAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(With comparative financial information as of June 30, 2024)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(i) Functional Allocation of Expenses

Costs of providing the Center's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Center uses salary costs to allocate indirect costs.

(j) Income Taxes

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

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all the positions taken by the Center in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Center's returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

(k) 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 reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

(l) Comparative Totals

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

(3) GOVERNMENT GRANTS RECEIVABLE

Government grants receivable on June 30, 2025, and 2024 consist of the following:

	2025	2024
City & county of San Francisco	\$ 859,577	\$ 497,204
California endowment	300,000	-
Cameo House APD	387,340	766,328
Sentencing service project	26,017	26,017
Alliance for safety and justice	4,500	32,625
SF department on the status of women	32,060	
Others	6,485	13,328
Total government grants receivable	<u>\$ 1,615,979</u>	<u>\$ 1,335,502</u>

CENTER ON JUVENILE & CRIMINAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(With comparative financial information as of June 30, 2024)

(4) PROPERTY AND EQUIPMENT

Property and equipment on June 30, 2025, and 2024:

	2025	2024
Land	\$ 360,076	\$ 360,076
Building	648,184	648,184
Leasehold improvements	1,021,642	1,021,642
Furniture and equipment	365,239	352,057
Program equipment	34,635	34,635
Total property and equipment	2,429,776	2,416,594
Less: accumulated depreciation	(1,587,388)	(1,503,401)
Property and equipment, net	\$ 842,388	\$ 913,193

Depreciation expense totaled \$83,988 and \$87,981 for the years ended June 30, 2025, and 2024, respectively.

(5) ACCRUED LIABILITIES

Accrued liabilities on June 30, 2025, and 2024 consist of the following:

	2025	2024
Accrued vacation	\$ 114,649	\$ 105,750
Accrued building maintenance reserves	151,336	144,899
Other accrued liabilities	3,814	4,315
Total accrued liabilities	\$ 269,799	\$ 225,964

(6) CONTRACT SETTLEMENT PAYABLE

Contract settlement payable represent disallowance cost related to the 2015 and 2016 mental health contract period. San Francisco Department of Public Health agreed to a repayment plan. The Center makes monthly payments in the amount of \$2,875 over a 10-year period beginning January 2017. Total contract settlement payable on June 30, 2025, and 2024 was \$51,771 and \$86,271, respectively.

(7) COMMITMENTS AND CONTINGENCIES

Contracts:

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

CENTER ON JUVENILE & CRIMINAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(With comparative financial information as of June 30, 2024)

(8) NOTES PAYABLE

Notes payable on June 30, 2025, and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Note payable to the City and County of San Francisco, secured by a deed of trust. Note does not provide for payment of interest and is due March 2075.	\$ 941,735	\$ 941,735
Note payable to NCCLF, with first six months interest payments only and thereafter monthly payments of \$3,723, including interest at 5.50%, due March 2026.	29,171	70,952
	<u>\$ 970,906</u>	<u>\$ 1,012,687</u>
Less: Current portion of notes payable	<u>(30,747)</u>	<u>(40,205)</u>
Notes payable – net of current portion	<u>\$ 940,159</u>	<u>\$ 972,482</u>

Maturities for notes payable are as follows:

June 30,	
2026	\$ 29,171
Thereafter	941,735
Total Notes Payable	<u>\$ 970,906</u>

(9) CONTRACT INCOME

Contract Income for the years ended June 30, 2025, and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Cameo House	\$ -	\$ 829,832
Community Options for Youth Program	-	575,344
The California Wellness Foundation	-	450,000
Communication and Policy	-	40,125
JJS	-	207,395
No Violence Alliance	-	120,143
Detention Divergency Advocacy Program	-	170,021
San Francisco District Attorney's Office RRS	-	106,627
San Francisco Department on the Status of Women	-	30,000
Federal Reentry	-	-
ERTC – Employer Retention Credit	-	-
Voter Outreach	-	23,684
Various – General Fund	-	104,500
Total contract income	<u>\$ 3,111,836</u>	<u>\$ 2,657,851</u>

CENTER ON JUVENILE & CRIMINAL JUSTICE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025
(With comparative financial information as of June 30, 2024)

(10) LIQUIDITY AND AVAILABILITY OF RESOURCES

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Center has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debts and equity securities. For purposes of analyzing resources available to meet general expenditures over a 12-month period, The Center considers all expenditures related to its ongoing activities and the pattern of income from grants, contracts, billable services, fundraising, and investment. The Resource Committee of the Board of Director meets quarterly to review all financial aspects of the organization. In addition to financial assets available to meet general expenditures over the next 12 months, the Center operates with a balanced budget and anticipate collecting sufficient revenue to cover general expenditure not covered by donor-restricted resources.

As of June 30, 2025, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash	\$ 186,158
Accounts receivable	1,615,979
Total financial assets	<u>1,802,137</u>
Less: donor restricted funds – time and purpose	<u>(562,500)</u>
Financial assets available for general expenditures within one year	<u>\$ 1,239,637</u>

The Center has \$1,239,637 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures including cash of \$186,158. Receivables are subject to implied time restrictions but are expected to be collected within one year.

(11) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions by time or purpose as of June 30, 2025, and 2024 consist of the following:

	2025	2024
The California Wellness Foundation	\$ 187,500	\$ 337,500
The California Endowment	<u>375,000</u>	<u> </u>
	<u>\$ 562,500</u>	<u>\$ 337,500</u>

For the years ended June 30, 2025, and 2024 net assets released from purpose restrictions were \$562,500 and \$337,500, respectively.

(12) SUBSEQUENT EVENTS

The Center evaluated subsequent events through December 29, 2025, the date which the financial statements were available to be issued. No subsequent events were identified that required accrual or disclosure in the financial statements.