



Financial Statements
December 31, 2022 and 2021
"and Justice for all"

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Independent Auditor's Report

To the Board of Directors
"and Justice for all"
Salt Lake City, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "and Justice for all" (AJFA), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of AJFA as of December 31, 2022 and 2021, and the changes in its net assets and its 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 (GAAS). 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 AJFA 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; 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 AJFA's ability to continue as a going concern for 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 GAAS 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 GAAS, 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 AJFA'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 AJFA'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.



Salt Lake City, Utah
October 5, 2023

"and Justice for all"
Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,545,542	\$ 1,136,847
Certificates of deposit	230,521	373,718
Operating investments	30,564	29,634
Current portion of contributions receivable, net	119,036	3,566
Other receivable - beneficiary organizations	1,447	1,769
Other receivable	4,311	4,573
Total current assets	1,931,421	1,550,107
Contributions Receivable, Less Current Portion	158,958	19,267
Property and Equipment, Net	6,014,561	4,791,460
Building Held for Sale	1,136,420	-
Other Assets	2,659	2,117
Total assets	\$ 9,244,019	\$ 6,362,951
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 214,630	\$ 244,361
Tenant security deposits	21,174	32,926
Campaign allocations payable - beneficiary organizations	429,328	880,024
Total current liabilities	665,132	1,157,311
Notes Payable to Beneficiary Organizations	2,780,320	2,725,268
Total liabilities	3,445,452	3,882,579
Net Assets		
Net assets without donor restrictions		
Board designated - Legal Assistance Programs operating fund	25,000	25,000
Board designated - capital/building	5,596,466	2,333,752
Board designated - Cy Pres	69,367	69,367
Total net assets without donor restrictions	5,690,833	2,428,119
Net assets with donor restrictions	107,734	52,253
Total net assets	5,798,567	2,480,372
Total liabilities and net assets	\$ 9,244,019	\$ 6,362,951

"and Justice for all"
 Statements of Activities
 Years Ended December 31, 2022 and 2021

	2022	2021
Net Assets Without Donor Restrictions		
Revenue, Support, and Gains		
Contributions and grants	\$ 4,920,482	\$ 1,729,798
Special events, less cost of direct benefits to donors of \$39,649 and \$4,466 in 2022 and 2021, respectively	237,283	240,825
Net investment return	930	7,645
Interest income	1,902	2,170
Rental income	234,980	238,719
Net assets released from donor restrictions	46,444	189,971
Total revenue, support, and gains	5,442,021	2,409,128
Expenses		
Program services		
Legal Assistance Programs	1,595,516	1,576,485
Community Legal Center	376,037	235,385
Southern Utah Community Legal Center	35,224	22,309
Total program services	2,006,777	1,834,178
Supporting services		
Management and general	122,929	93,925
Fundraising	49,601	56,855
Total supporting services	172,530	150,781
Total expenses	2,179,307	1,984,959
Change in net assets without donor restrictions	3,262,714	424,169
Net Assets with Donor Restrictions		
Contributions	101,925	79,868
Net assets released from restrictions	(46,444)	(189,971)
Change in net assets with donor restrictions	55,481	(110,103)
Change in Net Assets	3,318,195	314,066
Net Assets, Beginning of Year	2,480,372	2,166,306
Net Assets, End of Year	\$ 5,798,567	\$ 2,480,372

"and Justice for all"
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services				Supporting Services		
	Legal Assistance Programs	Community Legal Center	Southern Utah Community Legal Center	Total Program Expenses	Management and General	Fundraising	Total
Grants and other assistance							
Annual campaign allocations							
Utah Legal Services	\$ 315,893	\$ -	\$ -	\$ 315,893	\$ -	\$ -	\$ 315,893
Legal Aid Society of Salt Lake	223,386	-	-	223,386	-	-	223,386
Disability Law Center	177,212	-	-	177,212	-	-	177,212
Other organizations	79,610	-	-	79,610	-	-	79,610
Other grants							
Utah Legal Services	508,800	-	35,000	543,800	-	-	543,800
Legal Aid Society of Salt Lake	286,200	-	-	286,200	-	-	286,200
Total grants and other assistance	1,591,101	-	35,000	1,626,101	-	-	1,626,101
Professional services	-	-	-	-	32,859	-	32,859
Bank charges	-	-	-	-	4,605	-	4,605
Interest	-	55,052	-	55,052	-	-	55,052
Depreciation	-	181,065	-	181,065	-	-	181,065
Insurance	-	7,641	-	7,641	1,322	-	8,963
Miscellaneous	-	-	-	-	-	8,889	8,889
Building costs	-	131,206	-	131,206	-	-	131,206
Office expense	-	-	-	-	21,264	-	21,264
Payroll and related	4,415	1,073	224	5,712	54,266	40,712	100,690
Special events	-	-	-	-	-	39,649	39,649
Supplies	-	-	-	-	8,613	-	8,613
Total expenses	1,595,516	376,037	35,224	2,006,777	122,929	89,250	2,218,956
Less expenses included with revenues on the statement of activities							
Cost of direct benefits to donors	-	-	-	-	-	(39,649)	(39,649)
Total expenses included in the expense section on the statement of activities	\$ 1,595,516	\$ 376,037	\$ 35,224	\$ 2,006,777	\$ 122,929	\$ 49,601	\$ 2,179,307

"and Justice for all"
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services			Total Program Expenses	Supporting Services		Total
	Legal Assistance Programs	Community Legal Center	Southern Utah Community Legal Center		Management and General	Fundraising	
Grants and other assistance							
Annual campaign allocations							
Utah Legal Services	\$ 308,460	\$ -	\$ -	\$ 308,460	\$ -	\$ -	\$ 308,460
Legal Aid Society of Salt Lake	218,130	-	-	218,130	-	-	218,130
Disability Law Center	173,043	-	-	173,043	-	-	173,043
Other organizations	77,737	-	-	77,737	-	-	77,737
Other grants							
Utah Legal Services	508,800	-	22,106	530,906	-	-	530,906
Legal Aid Society of Salt Lake	286,313	-	-	286,313	-	-	286,313
Total grants and other assistance	1,572,483	-	22,106	1,594,589	-	-	1,594,589
Professional services	-	-	-	-	24,199	-	24,199
Bank charges	-	-	-	-	407	-	407
Interest	-	25,790	-	25,790	-	-	25,790
Depreciation	-	99,090	-	99,090	-	-	99,090
Insurance	-	6,010	-	6,010	1,322	-	7,332
Miscellaneous	-	-	-	-	-	5,285	5,285
Building costs	-	103,523	-	103,523	-	-	103,523
Office expense	-	-	-	-	10,517	-	10,517
Payroll and related	4,002	972	203	5,176	49,180	51,570	105,927
Printing	-	-	-	-	5,743	-	5,743
Special events	-	-	-	-	-	4,466	4,466
Supplies	-	-	-	-	2,557	-	2,557
Total expenses	1,576,485	235,385	22,309	1,834,178	93,925	61,321	1,989,425
Less expenses included with revenues on the statement of activities							
Cost of direct benefits to donors	-	-	-	-	-	(4,466)	(4,466)
Total expenses included in the expense section on the statement of activities	\$ 1,576,485	\$ 235,385	\$ 22,309	\$ 1,834,178	\$ 93,925	56,855	\$ 1,984,959

See Notes to Financial Statements

"and Justice for all"
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ 3,318,195	\$ 314,066
Adjustments to reconcile change in net assets to net cash (used for) from operating activities		
Depreciation	181,065	99,090
Realized and unrealized (gain) loss on operating investments	6	(6,686)
Contributions restricted to building project	(3,534,567)	-
Interest on notes payable to beneficiary organizations	55,052	25,268
Change in assets and liabilities		
Contributions receivable	(107,811)	88,514
Other receivable - beneficiary organizations	322	22,291
Other receivable	262	(1,700)
Other assets	(542)	(20)
Accounts payable and accrued expenses	(29,731)	174,294
Tenant security deposit	(11,752)	18,782
Campaign allocations payable - beneficiary organizations	(450,696)	434,119
Net Cash (used for) from Operating Activities	(580,197)	1,168,018
Investing Activities		
Collection of contributions restricted to building project	3,387,217	-
Change in certificates of deposit	143,197	(1,442)
Purchases of operating investments	(936)	(959)
Purchase of property and equipment	(2,540,586)	(3,554,216)
Net Cash from (used for) Investing Activities	988,892	(3,556,617)
Financing Activities		
Proceeds from notes payable to beneficiary organizations	-	2,700,000
Net Cash from Financing Activities	-	2,700,000
Net Change in Cash and Cash Equivalents	408,695	311,401
Cash and Cash Equivalents, Beginning of Year	1,136,847	825,446
Cash and Cash Equivalents, End of Year	\$ 1,545,542	\$ 1,136,847
Supplemental Disclosure of Non-cash Investing and Financing Activity		
Transfer of property and equipment to building held for sale	\$ 1,136,420	\$ -
Interest on notes payable to beneficiary organizations	55,052	25,268

Note 1 - Principal Activity and Significant Accounting Policies

"and Justice for all" (AJFA) is a nonprofit corporation organized under the laws of the state of Utah in 1999 by the Disability Law Center (DLC), Legal Aid Society of Salt Lake (LAS), and Utah Legal Services (ULS), (the beneficiary organizations), to increase access to civil legal services for the disadvantaged and those with disabilities throughout Utah.

AJFA is intended to achieve their mission by creating and sustaining resources to support civil legal services; sharing and consolidating resources so that services are delivered in a more efficient manner, thereby enabling the agencies to serve additional clients; and strengthening the individual agencies and the distinct role they play in the delivery of civil legal services.

Consistent with AJFA's operational purpose, funds raised through the Legal Assistance Programs "Annual Campaign" are to be transferred to the beneficiary organizations as governed by a "Distribution Policy" unless otherwise specified by a donor. Allocations are to be distributed to the beneficiary organizations, ULS, LAS, DLC, and to other organizations as determined by the Board of Directors using agreed upon percentages. During 2022 and 2021, these percentages were 39.68%, 28.06%, 22.26%, and 10.00%, respectively. The Board of Directors has designated that unrestricted Legal Assistance Programs operating fund net assets in excess of \$50,000 be distributed to the beneficiary organizations.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Contributions Receivable

Contributions receivable expected to be collected within one year are recorded at net realizable value. Contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable.

Property and Equipment

Property and equipment additions are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

AJFA reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2022 and 2021.

Operating Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

AJFA reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the statements of activities as net assets released from restrictions. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, a contribution receivable, or notification of a beneficial interest is received. Conditional contributions receivable are not recognized until the conditions on which they depend have been substantially met. At December 31, 2022 and 2021, AJFA did not have any conditional contributions. AJFA recognizes rental revenue on a straight-line basis over the terms of the respective leases.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to AJFA's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. AJFA records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ending December 31, 2022 and 2021, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs 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 payroll and related, as well as insurance which are allocated on the basis of estimates of time and effort.

Income Taxes

AJFA is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). AJFA is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, AJFA is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. AJFA has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

AJFA believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. AJFA would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

AJFA manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, AJFA has not experienced losses in any of these accounts. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2022, the Organization had approximately \$899,000 in excess of FDIC-insured limits.

Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of AJFA's mission.

Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Note 2 - Liquidity and Availability

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

	2022	2021
Cash and cash equivalents	\$ 1,545,542	\$ 1,136,847
Certificates of deposit	230,521	373,718
Operating investments	30,564	29,634
Contributions receivable	119,036	3,566
Other receivable - beneficiary organizations	1,447	1,769
Other receivable	4,311	4,573
	1,931,421	1,550,107
Less net assets with donor restrictions	(38,894)	(28,894)
Less net assets without donor restrictions - board designated	(382,848)	(463,750)
	\$ 1,509,679	\$ 1,057,463

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds.

Note 3 - Fair Value Measurements and Disclosures

AJFA reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, AJFA develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to AJFA's assessment of the quality, risk or liquidity profile of the asset or liability.

All of AJFA's investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at December 31, 2022:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments				
Mutual funds	\$ 30,564	\$ 30,564	\$ -	\$ -
	<u>\$ 30,564</u>	<u>\$ 30,564</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis at December 31, 2021:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating Investments				
Mutual funds	\$ 29,634	\$ 29,634	\$ -	\$ -
	<u>\$ 29,634</u>	<u>\$ 29,634</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4 - Certificates of Deposit

At December 31, 2022 and 2021, certificates of deposit not considered cash or cash equivalents totaled \$230,521 and \$373,718, respectively. These investments were purchased as a method of diversification and to obtain improved interest earnings on deposits. Certificate of deposits are recorded at their acquisition costs which approximates the fair value.

Note 5 - Contributions Receivable

Contributions receivable are estimated to be collected as follows at December 31, 2022 and 2021:

	2022	2021
Within one year	\$ 119,036	\$ 4,165
In one to five years	171,427	19,909
	290,463	24,074
Less allowance for bad debt	-	(599)
Less discount to net present value (4%)	(12,469)	(642)
	\$ 277,994	\$ 22,833

Note 6 - Property and Equipment

Property and equipment consists of the following at December 31, 2022 and 2021:

	2022	2021
Land	\$ 3,050,000	\$ 3,200,000
Building and improvements	2,725,030	2,863,785
Furniture and equipment	534,580	214,808
Construction in process	-	504,216
	6,309,610	6,782,809
Less accumulated depreciation	(295,049)	(1,991,349)
	\$ 6,014,561	\$ 4,791,460

AJFA has entered into an agreement, that is scheduled to be finalized in December 2023, to sell its previous building and related improvements. Therefore, at December 31, 2022, AJFA has classified the net book value of the building and improvements as building held for sale in the accompanying statement of financial position and has ceased depreciating these assets.

Note 7 - Campaign Allocations Payable – Beneficiary Organizations

Campaign allocations payable to beneficiary organizations consist of the following at December 31, 2022 and 2021:

	2022	2021
ULS (annual campaign)	\$ 129,261	\$ 327,886
LAS (annual campaign)	91,960	231,931
DLC (annual campaign)	72,514	187,709
Other	135,593	132,498
	\$ 429,328	\$ 880,024

Note 8 - Notes Payable to Beneficiary Organizations

In preparation to purchase a new building, AJFA obtained notes payable from each beneficiary organization, DLS, LAS, and ULS. All the notes bear interest at 2% and were due exactly two years from the date of signing, which was July 15, 2021, as a one-time payment of all principal and accrued interest. Subsequent to year end the purchase agreement has been cancelled (Note 14) and each note was amended to change the maturity date to exactly three years from the original date of signing.

The notes payable to each of the beneficiary organizations and related accrued interest consist of the following at December 31, 2022:

	2022	2021
Disability Law Center	\$ 1,000,000	\$ 1,000,000
Legal Aid Society	200,000	200,000
Utah Legal Services	1,500,000	1,500,000
	2,700,000	2,700,000
Plus accrued interest	80,320	25,268
	\$ 2,780,320	\$ 2,725,268

Note 9 - Future Minimum Rents

AJFA has historically leased building space to four tenants, three of which are beneficiary organizations. The leases with these four tenants expired during 2012 and have not been renewed but are continuing under the same terms on a month-to-month basis. During the year ended December 31, 2021, AJFA began also leasing building space to Salt Development, LLC under the arrangement of a building purchase agreement, for which Salt Development, LLC, was anticipating to purchase the building. During 2022, the purchase agreement was cancelled, and Salt Development, LLC is continuing to lease the space on a month-to-month basis. During the year ended December 31, 2022, the fourth historical tenant stopped leasing space from AJFA, and the same space is now being leased to a different entity with a one-year lease agreement. Future minimum rent expected for 2023 is \$20,000 from this new tenant.

Note 10 - Net Assets without Donor Restrictions

Net assets without donor restrictions - board designated – Legal Assistance Programs of \$25,000 and \$25,000 at December 31, 2022 and 2021, respectively, represent an amount maintained for AJFA general operations.

Net assets without donor restrictions - board designated - capital/building totaling \$5,596,466 and \$2,333,752 at December 31, 2022 and 2021, respectively, represents the net assets of the building capital program.

Net assets without donor restrictions - board designated - Cy Pres totaling \$69,367 and \$69,367 at December 31, 2022 and 2021, respectively, represents an amount that is board designated pending board action as to its ultimate use and disposition.

Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

	2022	2021
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	\$ 68,840	\$ 23,359
Consulting	10,000	-
Southern Utah Community Legal Center	28,894	28,894
	\$ 107,734	\$ 52,253

Note 12 - Related Party Transactions

Annual Campaign Allocations

As prescribed in AJFA's by-laws, certain members of AJFA's board are required to also be board members or directors of the beneficiary organizations, ULS, LAS and DLC. AJFA engages in significant related party transactions with these three beneficiary organizations by performing fundraising on behalf of and making distributions to the beneficiary organizations (Note 1). During the years ended December 31, 2022 and 2021, AJFA distributed Legal Assistance Programs annual campaign allocations to these entities as described in the statements of functional expenses. At December 31, 2022 and 2021, AJFA has payables for the Legal Assistance Program annual campaign allocations to these entities as described in the statement of position as campaign allocations payable – beneficiary organization and further detailed in Note 7.

Building Lease

AJFA is leasing its building to the beneficiary organizations as further described in Note 9. Rent revenue recorded from the beneficiary organizations totaled \$121,141 and \$128,036, respectively, for the years ended December 31, 2022 and 2021.

Other Grants

During the years ended December 31, 2022 and 2021, AJFA recorded expenses of \$35,000 and \$22,106, respectively, to ULS in connection with the Southern Utah Community Legal Center. As of December 31, 2022 and 2021, payables to ULS relating to this expense were \$12,198 and \$0, respectively.

During the years ended December 31, 2022 and 2021, AJFA made grants to ULS of \$508,800 and \$508,800, respectively, principally under grant agreements with the state of Utah as well as other specific donations.

During the years ended December 31, 2022 and 2021, AJFA made grants to LAS of \$286,200 and \$286,313, respectively, principally under grant agreements with the state of Utah as well as other specific donations.

Other

AJFA shares various expenses, including most notably payroll costs of certain management and staff, with LAS and DLC. The sharing of these expenses requires the allocation of costs between AJFA and LAS or DLC based on management's estimates.

Note 13 - Commitments

During 2007, AJFA entered into a lease agreement for office space to support the Southern Utah Community Legal Center in St. George, Utah. The lease required monthly lease payments of \$1,250 plus expenses for common area maintenance, utilities and property taxes through July 2014, at which time AJFA had the option to extend the lease for an additional year under the same terms. AJFA did not renew this lease but continues to make monthly payments of \$1,250, plus additional expenses on a month-to-month basis.

Note 14 - Subsequent Events

Subsequent to December 31, 2022, the agreement AJFA entered into to sell its building to a third party was cancelled and they have entered into a new agreement that is expected to close in December 2023. As a result of the cancelled sale, AJFA amended each of the notes payable due to each beneficiary organization, DLS, LAS, and ULS, extending the maturity date of each note to be exactly three years from the time of the original signing, July 15, 2021.

Management has made an evaluation of subsequent events through October 5, 2023, the date on which the financial statements were available to be issued.