

STREET LAW, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2024 AND 2023

TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR’S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statement of Activities, Year Ended June 30, 2024	5
Statement of Activities, Year Ended June 30, 2023	6
Statement of Functional Expenses, Year Ended June 30, 2024	7
Statement of Functional Expenses, Year Ended June 30, 2023	8
Statements of Cash Flows	9
Notes to the Financial Statements	10 - 25
REPORTS AND SCHEDULES REQUIRED BY THE UNIFORM GUIDANCE	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26 - 27
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	28 - 30
Schedule of Expenditures of Federal Awards	31
Notes to the Schedule of Expenditures of Federal Awards	32
Schedule of Findings and Questioned Costs	33- 34



CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors
Street Law, Inc.
Silver Spring, MD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Street Law, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 financial statements present fairly, in all material respects, the financial position of Street Law, Inc. as of June 30, 2024 and 2023, 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 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 Street Law, Inc. 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 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 Street Law, Inc.'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.

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 Street Law, Inc.'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 Street Law, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of Street Law, Inc.'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 to 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 Street Law, Inc.'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 Street Law, Inc.'s internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note B to the financial statements, during the year ended June 30, 2024, Street Law, Inc. adopted new accounting guidance, Accounting Standards Update ("ASU") 2016-13, Topic 326, *Financial Instruments — Credit Losses*, as amended. Our opinion is not modified with respect to this matter.



Columbia, MD
November 8, 2024

STREET LAW, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 238,945	\$ 553,351
Board designated - cash	1,139,614	1,145,183
Sub-total cash and cash equivalents	1,378,559	1,698,534
Grants receivable	247,129	346,182
Accounts receivable	174,385	70,998
Prepaid expenses	76,601	115,017
Total Current Assets	1,876,674	2,230,731
PROPERTY AND EQUIPMENT, NET	25,134	30,463
OTHER ASSETS		
Investments	1,477,254	1,398,379
Security deposit	8,840	8,840
Operating lease right-of-use asset, net	357,314	434,824
Total Other Assets	1,843,408	1,842,043
TOTAL ASSETS	\$ 3,745,216	\$ 4,103,237
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 49,798	\$ 36,824
Accrued expenses	23,426	61,505
Accrued salaries and related	205,657	301,367
Deferred revenue	9,742	28,180
Operating lease liability, current portion	82,807	77,976
Total Current Liabilities	371,430	505,852
OTHER LIABILITIES		
Operating lease liability, net of current portion	305,024	387,831
Total Other Liabilities	305,024	387,831
Total Liabilities	676,454	893,683
NET ASSETS		
Without donor restrictions:		
Available for operations	1,690,548	1,606,303
Board designated	1,139,614	1,145,183
Total Net Assets Without Donor Restrictions	2,830,162	2,751,486
With donor restrictions	238,600	458,068
Total Net Assets	3,068,762	3,209,554
TOTAL LIABILITIES AND NET ASSETS	\$ 3,745,216	\$ 4,103,237

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

STREET LAW, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 877,357	\$ 511,838	\$ 1,389,195
Federal government grants	795,875	-	795,875
Other government grants	125,563	-	125,563
Royalties and publication sales	376,959	-	376,959
Program contracts	173,108	-	173,108
In-kind legal services	103,849	-	103,849
Donated meeting space and food	11,042	-	11,042
Other revenue	6,263	-	6,263
Interest and dividend income	69,481	-	69,481
Net assets released from restrictions	731,306	(731,306)	-
Total Revenue and Support	<u>3,270,803</u>	<u>(219,468)</u>	<u>3,051,335</u>
EXPENSES			
Program Services:			
National programs	1,616,477	-	1,616,477
International programs	607,774	-	607,774
Communications	198,443	-	198,443
Total Program Services	<u>2,422,694</u>	<u>-</u>	<u>2,422,694</u>
Support Services:			
General and administrative	531,147	-	531,147
Program development and fundraising	336,938	-	336,938
Total Support Services	<u>868,085</u>	<u>-</u>	<u>868,085</u>
Total Expenses	<u>3,290,779</u>	<u>-</u>	<u>3,290,779</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(19,976)	(219,468)	(239,444)
OTHER CHANGES			
Net appreciation in fair value of investments	98,652	-	98,652
Total Other Changes	<u>98,652</u>	<u>-</u>	<u>98,652</u>
CHANGE IN NET ASSETS	78,676	(219,468)	(140,792)
NET ASSETS, beginning of year	<u>2,751,486</u>	<u>458,068</u>	<u>3,209,554</u>
NET ASSETS, end of year	<u>\$ 2,830,162</u>	<u>\$ 238,600</u>	<u>\$ 3,068,762</u>

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

STREET LAW, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	\$ 1,067,929	\$ 649,508	1,717,437
Federal government grants	918,091	-	918,091
Other government grants	391,922	-	391,922
Royalties and publication sales	286,748	-	286,748
Program contracts	155,181	-	155,181
In-kind legal services	66,312	-	66,312
Donated meeting space and food	24,898	-	24,898
Other revenue	4,687	-	4,687
Interest and dividend income	63,374	-	63,374
Net assets released from restrictions	777,525	(777,525)	-
Total Revenue and Support	3,756,667	(128,017)	3,628,650
EXPENSES			
Program Services:			
National programs	1,553,923	-	1,553,923
International programs	982,835	-	982,835
Communications	189,496	-	189,496
Total Program Services	2,726,254	-	2,726,254
Support Services:			
General and administrative	523,973	-	523,973
Program development and fundraising	345,668	-	345,668
Total Support Services	869,641	-	869,641
Total Expenses	3,595,895	-	3,595,895
CHANGE IN NET ASSETS FROM OPERATIONS	160,772	(128,017)	32,755
OTHER CHANGES			
Loss on disposal of property and equipment	(851)	-	(851)
Net appreciation in fair value of investments	44,989	-	44,989
Total Other Changes	44,138	-	44,138
CHANGE IN NET ASSETS	204,910	(128,017)	76,893
NET ASSETS, beginning of year	2,546,576	586,085	3,132,661
NET ASSETS, end of year	\$ 2,751,486	\$ 458,068	\$ 3,209,554

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

STREET LAW, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	PROGRAM SERVICES				SUPPORT SERVICES			
	National Programs	International Programs	Communications	Total Program Services	General and Administrative	Program Development and Fundraising	Total Support Services	Total Expenses
Personnel Costs:								
Salaries	\$ 799,770	\$ 322,690	\$ 124,323	\$ 1,246,783	\$ 345,068	\$ 98,677	\$ 443,745	\$ 1,690,528
Payroll taxes	59,104	23,847	9,188	92,139	25,502	7,292	32,794	124,933
Employee benefits	64,397	25,983	10,010	100,390	27,784	7,945	35,729	136,119
Retirement benefits	74,428	30,030	11,570	116,028	32,112	9,183	41,295	157,323
Subtotal Personnel Costs	997,699	402,550	155,091	1,555,340	430,466	123,097	553,563	2,108,903
Accounting and audit fees	-	-	-	-	22,300	-	22,300	22,300
Bank charges	857	397	50	1,304	351	5,987	6,338	7,642
Board/staff expenses	6,432	2,595	999	10,026	2,775	794	3,569	13,595
Computer and website	15,681	6,327	2,436	24,444	6,765	1,936	8,701	33,145
Consultants	141,918	80,936	9,308	232,162	3,151	33,424	36,575	268,737
Depreciation	4,378	1,766	680	6,824	1,889	540	2,429	9,253
Dues and subscriptions	14,127	5,700	2,195	22,022	6,093	1,744	7,837	29,859
Insurance	8,097	3,267	1,258	12,622	3,494	1,000	4,494	17,116
Meeting facilities, food, and beverages	176,224	22,980	3,730	202,934	-	133,927	133,927	336,861
Miscellaneous	838	-	-	838	1,352	-	1,352	2,190
Office expenses	1,691	4,984	-	6,675	553	4,558	5,111	11,786
Office supplies and equipment rental	19,156	2,100	1,669	22,925	1,885	2,768	4,653	27,578
Postage and delivery	705	173	1,130	2,008	534	1,352	1,886	3,894
Printing and copying	7,776	-	2,681	10,457	3,327	2,032	5,359	15,816
Rent	43,706	17,636	6,790	68,132	18,854	5,395	24,249	92,381
Sub-awards	1,000	-	-	1,000	-	-	-	1,000
Telephone	4,405	1,777	684	6,866	1,900	544	2,444	9,310
Travel	104,125	37,475	3,154	144,754	7,163	12,605	19,768	164,522
Expenses Before In-Kind Contributions	1,548,815	590,663	191,855	2,331,333	512,852	331,703	844,555	3,175,888
In-kind legal services	56,620	17,111	6,588	80,319	18,295	5,235	23,530	103,849
Donated supplies	11,042	-	-	11,042	-	-	-	11,042
Total Expenses	\$ 1,616,477	\$ 607,774	\$ 198,443	\$ 2,422,694	\$ 531,147	\$ 336,938	\$ 868,085	\$ 3,290,779

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

STREET LAW, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	PROGRAM SERVICES				SUPPORT SERVICES			
	National Programs	International Programs	Communications	Total Program Services	General and Administrative	Program Development and Fundraising	Total Support Services	Total Expenses
Personnel Costs:								
Salaries	\$ 819,358	\$ 354,410	\$ 87,768	\$ 1,261,536	\$ 328,214	\$ 105,179	\$ 433,393	\$ 1,694,929
Payroll taxes	62,988	27,245	6,747	96,980	25,231	8,085	33,316	130,296
Employee benefits	60,940	26,360	6,530	93,830	24,407	7,829	32,236	126,066
Retirement benefits	69,685	30,142	7,465	107,292	27,914	8,945	36,859	144,151
Subtotal Personnel Costs	1,012,971	438,157	108,510	1,559,638	405,766	130,038	535,804	2,095,442
Accounting and audit fees	-	-	-	-	30,950	-	30,950	30,950
Bank charges	1,136	130	20	1,286	403	4,027	4,430	5,716
Board/staff expenses	7,409	3,205	794	11,408	2,968	952	3,920	15,328
Computer and website	20,403	8,283	11,236	39,922	7,669	2,460	10,129	50,051
Consultants	176,634	180,392	18,157	375,183	4,999	21,695	26,694	401,877
Depreciation	4,449	1,925	477	6,851	1,781	572	2,353	9,204
Dues and subscriptions	12,562	5,434	1,346	19,342	5,031	1,613	6,644	25,986
Insurance	8,121	12,863	870	21,854	3,253	1,043	4,296	26,150
Meeting facilities, food, and beverages	97,027	112,387	4,393	213,807	-	153,891	153,891	367,698
Miscellaneous	315	-	-	315	-	-	-	315
Office expenses	345	11,895	1,050	13,290	703	3,718	4,421	17,711
Office supplies and equipment rental	17,118	4,271	2,933	24,322	2,867	3,414	6,281	30,603
Postage and delivery	2,922	85	597	3,604	979	1,184	2,163	5,767
Printing and copying	14,654	1,120	6,748	22,522	1,037	4,349	5,386	27,908
Rent	48,009	20,767	5,145	73,921	19,227	6,167	25,394	99,315
Sub-awards	8,497	-	-	8,497	-	-	-	8,497
Telephone	4,441	2,071	476	6,988	1,779	571	2,350	9,338
Travel	85,502	173,083	4,236	262,821	4,034	9,974	14,008	276,829
Expenses Before In-Kind Contributions	1,522,515	976,068	166,988	2,665,571	493,446	345,668	839,114	3,504,685
In-kind legal services	11,640	4,264	20,881	36,785	29,527	-	29,527	66,312
Donated meeting space and food	19,768	2,503	1,627	23,898	1,000	-	1,000	24,898
Total Expenses	\$ 1,553,923	\$ 982,835	\$ 189,496	\$ 2,726,254	\$ 523,973	\$ 345,668	\$ 869,641	\$ 3,595,895

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

STREET LAW, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (140,792)	\$ 76,893
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
Depreciation	9,253	9,204
Loss on disposal of property and equipment	-	851
Net appreciation in fair value of investments	(98,652)	(44,989)
Operating lease, right-of-use asset	-	(510,069)
Amortization of operating lease, right-of-use asset	77,510	75,245
Operating lease obligations	-	536,754
Decrease (increase) in assets:		
Accounts receivable	(103,387)	284,145
Grants receivable	99,053	(67,201)
Prepaid expenses	38,416	(74,989)
Increase (decrease) in liabilities:		
Accounts payable	12,974	(18,804)
Accrued expenses	(38,079)	30,499
Accrued salaries and related	(95,710)	121,777
Deferred revenue	(18,438)	28,180
Deferred rent	-	(26,685)
Operating lease liability	(77,976)	(70,947)
Net Cash Provided by (Used for) Operating Activities	(335,828)	349,864
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(3,924)	(5,697)
Proceeds from sales of investments	77,341	16,422
Purchases of investments	(57,564)	-
Net Cash Provided by (Used for) Investing Activities	15,853	10,725
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(319,975)	360,589
 CASH AND CASH EQUIVALENTS, beginning of year	1,698,534	1,337,945
 CASH AND CASH EQUIVALENTS, end of year	\$ 1,378,559	\$ 1,698,534

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

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE A – NATURE OF ORGANIZATION

Street Law, Inc. (“Street Law”) is a global, nonpartisan, nonprofit organization. For more than five decades, Street Law has developed innovative programs and leveraged education for empowerment and justice across the United States and around the world. The corporation was established in 1996, under the laws of the District of Columbia. Formerly a program of the Consortium of Universities of the Washington Metropolitan Area, Street Law commenced operations as an independent entity on July 1, 1997. Street Law programs and materials advance civic and law-related education to empower all people to positively transform their world.

Street Law offers the following national and international program services:

- 1) **Teacher Professional Development Programs** work with primary and secondary school teachers to equip them with the knowledge, skills, and resources needed to teach about a variety of practical legal and civic topics using teaching strategies that promote democracy, positively impact educational achievement, and foster civic engagement.
 - Now in its 29th year, the **Supreme Court Summer Institute** is a professional development seminar for social studies teachers from across the country designed to strengthen and expand instruction about the U.S. Supreme Court. Street Law further supports classroom instruction by operating an educational website, **www.landmarkcases.org**, that provides free teaching materials about historic Supreme Court cases most frequently required in state social studies content standards.
 - The **Talking About Local Current and Contested Issues in Schools (TALCCS)** project prepares Maryland teachers to guide their students through discussions of contested public issues—a step toward bridging the divides in American society. Street Law supports teachers through innovative instruction, high-quality professional development, and tailored curricula. This three-year initiative plans to benefit more than 36,000 elementary, middle, and high school students from districts across the state.
 - The **Enhancing Civics Professional Development and Internal Capacity in Chicago Public Schools** project prepared Chicago Public Schools (CPS) teacher-leaders to **1)** deliver professional development for teaching civics to middle and high school social studies teachers throughout the CPS system and **2)** create localized deliberations materials for discussing contested public policy issues.
 - Under the **Legal Timelines in American History** project, Street Law is creating a series of interactive timelines and accompanying curricular materials within a user-friendly website. The content is designed to educate students about how U.S. laws have evolved over time on key issues such as voting, federalism, the rights of the accused, and other topics.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE A – NATURE OF ORGANIZATION – continued

Street Law offers the following national and international program services: (continued)

- The **Measuring the Impact of the Deliberative Discussion Model** project is a partnership between Street Law and university researchers to prepare teachers in select districts to use deliberations in their classrooms and to then study the impact of Street Law’s deliberation methodology on students’ political beliefs, commitment to democratic values, and willingness to engage in political discussions.
 - The **Teaching for Civic Engagement Seminars** guide teachers through an exploration of current issues in civics and government as they master instructional strategies that build students’ civic skills and increase educational achievement.
 - **Deliberation Training** prepares teachers to master the use of deliberative discussion on contested public policy issues in their classrooms in order to build positive relationships through discussion across differences.
- 2) **Legal Diversity Pipeline Initiatives** create opportunities for lawyers, legal professionals, and law students to teach and inspire young people who are often underrepresented in the legal profession.
- Through **Legal Diversity Pipeline Programs**, Street Law partners with corporate law departments and law firms to tackle the dearth of diversity in the legal profession. The Pipeline Programs encourage young people of color and young people from underrepresented socioeconomic groups to pursue legal careers by providing them with law-related lessons and activities, role models, career education, and hands-on experiences in the field of law. Street Law’s staff trains volunteer legal professionals to teach high school students about topics in law and pathways to the legal profession.
 - Street Law’s **Summer Bridge Program** supports a law-themed high school to provide young people entering high school with a foundational understanding of law and justice to help ensure a successful academic transition.
- 3) **Community Empowerment & Justice Programs** reach communities particularly vulnerable to injustice with knowledge and skills to help navigate everyday legal issues and advocate for their rights.
- **MY SKILLS (Motivating Youth to Successfully & Knowledgeably Re-Integrate Through Legal Life Skills Initiative)** – MY SKILLS is designed to integrate Street Law’s Legal Life Skills program into the offerings of Virginia-based facilities and organizations that work directly with detained youth and youth returning to their communities. The goal of this project is to support detained youth throughout the reentry process and to foster skills and tools that help reduce recidivism once youth return to the community.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE A – NATURE OF ORGANIZATION – continued

Street Law offers the following national and international program services: (continued)

- Under **Making Positive Choices**, Street Law leads an employee volunteer program on behalf of the Merck Corporation that brings law-related education lessons to vulnerable youth in New Jersey, Pennsylvania, and Virginia. Street Law recruits, trains, and places Merck employees in classroom and community-based settings to teach lessons on conflict resolution, law, safety, advocacy, and career exploration.
- **Community Initiatives in Camden** – In partnership with Subaru and Rutgers Law School-Camden, Street Law, Inc. facilitates partnerships between Camden, NJ, community organizations and Subaru volunteers. The overarching goal is for improved workforce opportunities for Camden youth.
- **Ensuring Racial Justice: Anti-AAPI-Hate Project** – The project is a collaboration between Street Law, Verizon, DLA Piper, and the MinKwon Center to address hatred and violence directed at the AAPI (Asian American/Pacific Islander) community.
- **Legal Life Skills Programs** – Street Law conducts programs across the United States that empower society’s most vulnerable people with the legal knowledge, civic skills, and confidence they need to thrive and succeed as informed, civically active community members. The Legal Life Skills Programs work with people on the fringes, such as survivors of intimate partner violence and human trafficking; youth in (or at risk of entering) the juvenile justice system; youth aging out of foster care; and youth who are experiencing homelessness. The programs are implemented in partnership with community-based providers and government agencies that serve these populations as well as legal professionals who volunteer their time to teach lessons.
- The **Police & Teens Program** equips school resource officers and community police officers with the curriculum, teaching strategies, and confidence to teach young people lessons on law, crime, public policy, police procedures, community policing, personal safety, and health. The program’s collaborative, dialogue-based approach helps build awareness, respect, empathy, and understanding between police officers and youth.
- **Law School Programs** – Street Law advises U.S. law schools interested in starting their own street law program, in which law students teach practical law to young people.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE A – NATURE OF ORGANIZATION – continued

Street Law offers the following national and international program services: (continued)

- 4) **International Programs** – Street Law’s global law and democracy programs help cultivate rule of law culture around the world. Street Law collaborates with law schools, civil society organizations, schools, universities, and government agencies to build public legal education programs, train educators and youth-serving organizations, and develop teaching materials. These programs have empowered people and strengthened civil society in 45 countries throughout Africa, the Americas, Asia, Europe, and the Middle East since 1986. Street Law’s international programs include:
- In **Uzbekistan**, Street Law collaborates with the Tashkent State University of Law (TSUL) to institutionalize its own street law program and expand street law to legal technical colleges throughout the country. Through these programs, students from TSUL and the legal technical colleges provide practical legal education to youth. Street Law also supports civil society organizations in Uzbekistan to improve their advocacy skills and to improve the legal literacy of their constituents. Street Law develops interactive lessons on practical legal issues such as those related to marriage, divorce, and gender-based violence.
 - In **Jordan**, Street Law collaborates with a Jordanian NGO to implement the **Rule of Law Matters** project. Street Law and its partner adapted Street Law’s Rule of Law curriculum for use in Jordan and worked with local government, educators, community organizations, and youth centers to teach about rule of law to youth throughout the country. It also supported Jordanian youth fellows to develop and implement community-based projects to improve rule of law locally.
 - In **Kosovo**, Street Law supports the Kosovar Civil Society Foundation’s **Citizen Engagement Activity** by designing curriculum for youth leadership and activism academies and training trainers to lead the academies.
 - In **Georgia**, as a partner on the **USAID/Georgia Rule of Law Program**, Street Law works with a cohort of law schools and regional technical colleges to expand their public legal education programs.
 - In **Kyrgyzstan**, through the **USAID Ukuk Bulagy Project**, Street Law assists the International University of Kyrgyzstan to refine the university’s People Centered Justice curriculum.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE A – NATURE OF ORGANIZATION – continued

Street Law offers the following national and international program services: (continued)

- 5) **Curricula and Teaching Materials** – Street Law equips educators with the textbooks, lesson plans, and teaching activities they need to be effective educators of law, government, democracy, and rule of law. Street Law’s resource library includes hundreds of resources, including Supreme Court case summaries, deliberations, moot courts, mock trials, and many other materials.

Street Law authors *Street Law: A Course in Practical Law* (McGraw Hill Education, 2021, 10th edition). The high school text supports the teaching of practical law in classrooms across the United States.

Street Law co-authors a high school government text titled *United States Government & Civics* (McGraw Hill Education, 2024) with an accompanying *Inquiry Journal*. The text helps educators teach students about government and how to “do democracy.” In every chapter, students are asked to deliberate with peers, advocate for or against a position, evaluate policy alternatives, analyze claims and arguments, negotiate a compromise, and make collaborative decisions. The text centers debate and discussion on current, public, and controversial issues—a proven method for increasing student engagement.

- 6) **Communications** – The communications program strengthens Street Law’s programs through web-based promotions and technologies. Additionally, it disseminates program information, resources, and curricula to program participants around the globe.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Street Law are prepared using the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Adoption of New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, *Financial Instruments—Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU significantly change how organizations will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income or change in net assets. Importantly, this ASU will impact both financial institutions and non-financial services entities.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Adoption of New Accounting Pronouncements (continued)

Previously, U.S. generally accepted accounting principles (U.S. GAAP) contained an “incurred loss” methodology for recognizing credit losses. This methodology delayed recognition until it was probable a loss had been incurred. ASU 2016-13 introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments (including trade receivables). It also modifies the impairment model for available-for-sale (“AFS”) debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination.

Street Law adopted ASU 2016-13 (commonly known as the Current Expected Credit Loss Impairment Model, or “CECL”), effective July 1, 2023. The main objective of ASU 2016-13 is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in CECL replace the incurred loss impairment methodology, with a methodology that reflects expected credit losses, and requires consideration of a broader range of reasonable and supportable information to inform the users of credit loss estimates.

Upon adoption of ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, it was determined that Street law did not need to adjust the allowance for credit losses as of July 1, 2023.

Financial Statement of Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958, *Not-for-Profit Entities*. In accordance with Topic 958, net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Street Law and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met by either actions of Street Law and/or the passage of time, or that must be maintained in perpetuity by Street Law. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Cash and Cash Equivalents

For purposes of the statements of cash flows, Street Law considers all highly liquid funds, including certificates of deposit with original maturity of three months or less; and funds in interest bearing savings accounts to be cash equivalents, with the exception of the amounts that are part of an investment portfolio. Cash and cash equivalents in certain accounts are insured by the Federal Deposit Insurance Corporation of up to \$250,000 per institution. At times, the accounts may exceed this limit; however, Street Law believes it is not exposed to any significant credit risk on cash or cash equivalents. Furthermore, Street Law placed its liquid non-investment monies into an Insured Cash Sweep (“ICS”) account. Under this arrangement, all monies are FDIC insured and remain liquid at all times.

Grants and Accounts Receivable

Grants and accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for credit losses is necessary based upon a review of outstanding receivables, historical collection of information, and existing economic conditions. Receivables deemed uncollectible are charged off based on specific circumstances of the parties involved. As of June 30, 2024 and 2023, management believes that all receivables are fully collectible within one year or less; and therefore, no provision for allowance for credit losses was deemed necessary. As of the beginning of the year ended June 30, 2023, accounts receivable totaled \$355,143.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Expenditures that extend the life of an asset and are greater than \$1,000 are capitalized while repairs and maintenance are charged to expense as incurred. Depreciation is calculated on a straight-line basis over the estimated useful lives (ranging from five to seven years) of the related assets.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Net appreciation or depreciation in fair value of investments includes gains and losses on investments bought and sold as well as held during the year. Investment fees are netted against investment earnings. Interest is recognized on an accrual basis. Dividends are recorded at the ex-dividend date. Donated investments are recorded at fair value on the date of donation.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Right-of-Use (“ROU”) Assets (Operating Lease)

ROU assets are measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, ROU assets are subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term.

Operating Lease Liability

Street Law accounts for leases in accordance with FASB ASC Topic 842. Street Law is a lessee in a non-cancellable operating lease for building space. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use assets are amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line occupancy expense over the lease term. Short-term leases having initial terms of 12 months or less are recognized when incurred. Variable lease expenses, if any, are recognized when incurred.

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date.

Lease payments, including variable payments made based on an index or rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract); (2) certain contingencies related to variable lease payments are resolved; or (3) there is a reassessment of any of the following: the lease term, purchase options or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable. The implicit rate of Street Law’s lease was not readily determinable, therefore, Street Law elected to use the risk-free rate, which was 2.92% as of July 1, 2022.

Deferred Revenue

Deferred revenue represents unearned income received from contracts entered into during the year. As of the beginning of the year ended June 30, 2023, deferred revenue was \$0.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Grants and Contributions

Street Law recognizes grants and contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions received with donor stipulations are recorded as contributions with donor restrictions based on the donor's intent. Unless otherwise stated by the donor, individual donations are recorded as contributions without donor restrictions. Contributions with donor restrictions that are met in the same reporting period as the contribution is received are reported as contributions without donor restrictions support.

Federal Government and Other Government Grants

Street Law receives funding from both federal and non-government agencies. Federal government grants include the U.S. Department of Education, U.S. Department of Justice - Office of Juvenile Justice and Delinquency Prevention (“OJJDP”), and the U.S. Department of State through various U.S. Embassies, to support its program initiatives. Based on the terms and conditions outlined in the funding agreements, these federal awards are considered conditional grants that contain a right of return of funds and other barriers, specifically with respect to reimbursement of expenditures and allowable costs. As a result, revenue is not recognized until the conditions stipulated in the agreements have been substantially met. The amounts earned but not yet collected are recognized as accounts receivable; and funds received but not yet earned are recorded as deferred revenue in the statements of financial position.

Royalties and Publication Sales

Revenue from royalties and publication sales is recognized in the year in which the publications are sold. Amounts received in advance are recorded as deferred revenue.

Program Contracts

Program contracts are largely contractual agreements with the Department of Education of a particular state or other educational-based learning facilities to sponsor workshops and other programs affiliated with Street Law’s teacher professional development programs. As determined by the contractual arrangement, revenue is treated as an exchange transaction, and is recognized when eligible expenditures are incurred either at a point in time or over time as the performance obligations are accomplished. Therefore, any amounts earned but not yet collected are recognized as accounts receivable; and funds received but not yet earned are recorded as deferred revenue in the statements of financial position.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition (continued)

In-Kind Contributions and Services

In-kind contributions, including donated facilities, are recorded at fair value on the date of the services or items received. Street Law recognizes in-kind contributions that (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people possessing those skills, and would typically need to be purchased by Street Law, if not provided by donation. Contributed services and promise to give services that do not meet the above criteria are not recognized.

Methods Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The overhead and indirect expenses that are allocated include rent, depreciation, and any other applicable expenditures, which are allocated on the basis of salaries and related costs.

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 the reported amounts of assets and liabilities and disclosures 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.

NOTE C – INCOME TAXES

Street Law is a 501(c)(3) organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the “Code”), and is not a private foundation. Under the provisions of the Code, Street Law is, however, subject to tax on business income unrelated to its exempt purpose. As of June 30, 2024 and 2023, Street Law had no liability for tax on unrelated business income. Street Law files information returns and other tax returns as required.

Street Law believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Street Law’s information returns are subject to examination by the Internal Revenue Service (“IRS”) for a period of three years from the date they were filed, except under certain circumstances. The Form 990 information returns for the fiscal years ended June 30, 2021 through 2023, are open for a tax examination by the IRS, although no request has been made as of the date of these financial statements.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

Street Law regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. Timing of revenue receipts also ensures the availability of necessary operational funds. Sources of liquidity available to Street Law include financial assets consisting of cash and cash equivalents, accounts receivable, grants and contributions receivable, and investments. Although Street Law does not intend to spend from its board designated reserves, other than those amounts appropriated for expenditure, funds could be made available through board resolution, if necessary.

In determining the adequacy of liquidity sources to cover general operating expenditures over a 12-month period, Street Law considers all expenditures related to its national and international programs, communications, and program development, as well as services undertaken to support its programs, to be general operating expenditures.

As of June 30, 2024 and 2023, total financial assets held by Street Law and the amounts of those financial assets that could readily be made available within one year to meet general expenditures were as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,378,559	\$ 1,698,534
Grants receivable	247,129	346,182
Accounts receivable	174,385	70,998
Investments	1,477,254	1,398,379
Total Financial Assets	<u>3,277,327</u>	<u>3,514,093</u>
Less: net assets restricted by donors	(238,600)	(458,068)
Less: cash encumbered by board restrictions	<u>(1,139,614)</u>	<u>(1,145,183)</u>
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	<u>\$ 1,899,113</u>	<u>\$ 1,910,842</u>

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE E – CONDITIONAL PROMISES TO GIVE

Street Law received various grants that contained certain conditions imposed by the donors that must be substantially met in order to receive the funds. For the years ended June 30, 2024 and 2023, the performance requirements of the following remaining balances of those grants had not yet been satisfied, and therefore, are not reflected in these financial statements.

	2024	2023
U.S. Library of Congress	\$ 63,684	\$ 6,315
U.S. Department of Education	472,983	708,022
U.S. Agency for International Development:		
East West Management Institute - Uzbekistan	84,716	276,056
East West Management Institute - Georgia	48,259	236,146
East West Management Institute - Kyrgyz Republic	9,654	-
U.S. Department of Justice (Youth and Communities Project)	22,259	22,259
U.S. Department of Justice (My Skills Project)	61,740	739,770
Regional Dialogue - Uzbekistan	32,580	56,790
The Federal Republic of Germany (Jordan ROL for Peace)	125,563	-
Total	\$ 921,438	\$ 2,045,358

NOTE F – FAIR VALUE MEASUREMENT

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). Level 1 of the fair value hierarchy under FASB ASC 820 is described as inputs to the valuation methodology that are unadjusted quoted prices for identical assets or liabilities in active markets that Street Law has the ability to access.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

- Level 1* Inputs are based on unadjusted quoted prices for identical assets traded in active markets that Street Law has the ability to access.
- Level 2* Inputs are based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.
- Level 3* Inputs are unobservable and significant to the fair value measurement.

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE F – FAIR VALUE MEASUREMENT - continued

The following valuation methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a description of the valuation methodologies used to measure investments at fair value: money market funds are valued by carrying amount, which approximates fair value; and mutual funds and exchange traded funds are valued at the observable closing price reported in the active market in which the individual securities are traded.

The following table presents Street Law’s fair value hierarchy for investments measured at fair value on a recurring basis as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money markets	\$ 3,085	\$ -	\$ -	\$ 3,085
Mutual funds:				
Equity	662,668	-	-	662,668
Fixed income	387,569	-	-	387,569
Exchange traded	423,932	-	-	423,932
Total	<u>\$ 1,477,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,477,254</u>

The following table presents Street Law’s fair value hierarchy for investments measured at fair value on a recurring basis as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money markets	\$ 5,805	\$ -	\$ -	\$ 5,805
Mutual funds:				
Equity	612,084	-	-	612,084
Fixed income	369,729	-	-	369,729
Exchange traded	410,761	-	-	410,761
Total	<u>\$ 1,398,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,398,379</u>

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE G – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Office equipment	\$ 23,210	\$ 20,363
Website development costs	<u>22,575</u>	<u>22,575</u>
	45,785	42,938
Less: accumulated depreciation	<u>(20,651)</u>	<u>(12,475)</u>
Property and Equipment, Net	<u>\$ 25,134</u>	<u>\$ 30,463</u>

During the years ended June 30, 2024 and 2023, Street Law disposed of office equipment with costs totaling \$1,077 and \$6,571; and recognized a loss on the disposal of property and equipment totaling \$0 and \$851, respectively. For the years ended June 30, 2024 and 2023, depreciation expense totaled \$9,253 and \$9,204, respectively.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent contributions that are restricted by the donor as to either purpose or time. As of June 30, 2024 and 2023, net assets with donor restrictions consisted of the following:

	<u>2024</u>	<u>2023</u>
Diversity Pipeline Program	\$ 116,050	\$ 118,125
Other National Programs	42,933	125,586
Legal Life Skills Programs	34,670	54,811
Making Positive Choices	26,837	25,801
Teacher Development Program	18,110	15,933
Chicago Public Schools/McCormick Foundation	-	9,207
International Programs	-	92,603
Supreme Court Summer Institute	-	16,002
Total	<u>\$ 238,600</u>	<u>\$ 458,068</u>

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE I – BOARD DESIGNATED NET ASSETS

Street Law’s Board of Directors adopted a policy that initially designated \$600,000 of net assets without donor restrictions as future operating reserves to ensure fulfillment of its mission during harsh economic times. This designated amount cannot be used by Street Law for general operations unless the designation is removed by board approval. The designated amount is based on one half of total annual operating expenses, excluding depreciation, in-kind donations, and other non-cash related expenses. As of June 30, 2024 and 2023, the board designated net assets totaled \$1,139,614 and \$1,145,183, respectively.

NOTE J – OPERATING LEASE

As disclosed in Note B, during 2023, Street Law adopted FASB ASC Topic 842. Street Law has an operating lease for office space, for the purpose of carrying out its mission and conducting its programs. For the year ended June 30, 2023, the operating lease is included as a right-of-use, operating lease as a non-current asset in the statements of financial position.

On August 12, 2015, Street Law amended the terms of its original lease agreement for an additional 78 months, commencing on July 1, 2016 through December 31, 2022. However, on February 25, 2022, Street Law made another amendment to its original lease agreement to reduce the amount of office space rental and to extend the lease term for an additional 79 months, commencing on March 1, 2022 through September 30, 2028.

The balance of the ROU operating asset is as follows:

	<u>6/30/2024</u>	<u>6/30/2023</u>
Operating lease ROU assets - building	\$ 510,069	\$ 510,069
Amortization of ROU operating assets - building	<u>(152,755)</u>	<u>(75,245)</u>
Total Operating ROU Building Assets, Net	<u>\$ 357,314</u>	<u>\$ 434,824</u>

The following are future maturities of the operating lease liability for the years ending June 30:

2025	\$ 93,039
2026	95,597
2027	98,226
2028	100,928
2029	<u>25,574</u>
Total lease payments	<u>413,364</u>
Less: interest	<u>(25,533)</u>
Present Value of Lease Liabilities	<u>\$ 387,831</u>

STREET LAW, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023
(continued)

NOTE J – OPERATING LEASE - continued

Rent expense, which includes utilities and storage space, for the years ended June 30, 2024 and 2023, totaled \$92,381 and \$99,315, respectively.

As of June 30, 2024 and 2023, the weighted-average remaining lease term for Street Law's operating lease was 4.25 years and 5.25 years, respectively; and the weighted average discount rate was 2.92% for both years.

NOTE K – IN-KIND DONATIONS

A significant amount of donated legal services are contributed to Street Law by volunteer attorneys, including members of its Board of Directors and other legal counsel. The value of these services totaled \$103,849 and \$66,312, for the years ended June 30, 2024 and 2023, respectively, and have been included in the statements of activities and functional expenses, as in-kind legal services. In addition, the donated legal services were allocated between program and support services on the statements of functional expenses. The in-kind legal services were evaluated by the donors based on the donors' hourly rates.

Street Law received donated meeting space and food totaling \$11,042 and \$24,898, for the years ended June 30, 2024 and 2023, respectively, which are recorded at fair value on the statements of activities and functional expenses. In addition, the donated meeting space and food were allocated between the applicable program and support services on the statements of functional expenses. Unless otherwise noted, in-kind donations had no donor-imposed restrictions.

NOTE L – RETIREMENT PLAN

Street Law sponsors a defined contribution retirement plan (the "Plan") in accordance with Section 403(b) of the Internal Revenue Code of 1986, as amended, for the benefit of its eligible employees. All Street Law employees following the date of hire may elect to defer a portion of their eligible compensation on a pre-tax basis and have such amounts contributed to the Plan. Upon the completion of one year of service and the attainment of age 21, Plan participants will be eligible to receive an allocation of Safe Harbor matching contributions, which are immediately vested at 100%. Street Law matches these elective deferrals amounts on a 1:1 ratio up to 5% of the participant's eligible compensation on a payroll basis. For the years ended June 30, 2024 and 2023, Street Law's contribution to the Plan totaled \$157,323 and \$144,151, respectively.

NOTE M – SUBSEQUENT EVENTS

In preparing these financial statements, Street Law's management has evaluated events and transactions for potential recognition or disclosure through November 8, 2024, the date the financial statements were available to be issued. There were no additional events or transactions discovered during the evaluation that required further recognition or disclosure.

**REPORTS AND SCHEDULES
REQUIRED BY THE UNIFORM GUIDANCE**



CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed In Accordance
with *Government Auditing Standards***

To the Board of Directors
Street Law, Inc.
Silver Spring, MD

We have audited, in accordance with the 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, the financial statements of Street Law, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Street Law, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Street Law, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Street Law, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Street Law, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Street Law, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Street Law, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbia, MD
November 8, 2024



CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Street Law, Inc.
Silver Spring, MD

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Street Law, Inc.'s, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Street Law, Inc.'s major federal programs for the year ended June 30, 2024. Street Law, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Street Law, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Street Law, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Street Law, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Street Law, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Street Law, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Street Law, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Street Law, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Street Law, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Street Law, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Columbia, MD
November 8, 2024

STREET LAW, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Program or Cluster	Pass-through Grantor	Assistance Listing Number	Grant Identification Number	Total Federal Expenditures
United States Department of Justice				
Community-Based Violence Prevention Program - Youth and Communities Project	N/A	16.123	30355143	\$ 32,456
Second Chance Act Reentry Initiative - My Skills Project		16.812	15SPJDP-22-GG-03259-SCAX	62,604
Total United States Department of Justice				<u>95,060</u>
United States Department of State				
International Programs to Support Democracy, Human Rights and Labor	Regional Dialogue Legal Community Support Project	19.040	SLMAQM21GR3181	50,181
Total United States Department of State				<u>50,181</u>
United States Library of Congress				
Library of Congress Grants	N/A	42.011	GA21C0110	63,685
Total United States Library of Congress				<u>63,685</u>
United States Department of Education				
Presidential and Congressional Academies for American History and Civics	N/A	84.422	S422B210013	472,983
Total United States Department of Education				<u>472,983</u>
United States Agency for International Development (USAID)				
USAID Foreign Assistance for Programs Overseas	East West Management Institute	98.001	72011422CA00001	54,549
USAID Foreign Assistance for Programs Overseas	East West Management Institute	98.001	72011521CA00002	92,017
USAID Foreign Assistance for Programs Overseas	East West Management Institute	98.001	72011521CA00001	9,654
Total United States Agency for International Development				<u>156,220</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$ 838,129</u></u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

STREET LAW, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Street Law, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Street Law, Inc., it is not intended and does not present the financial position, changes in net assets, or cash flows Street Law, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein, certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – RECONCILIATION TO FINANCIAL STATEMENTS

During the 2023 fiscal year, Street Law was awarded multi federal government grants. Total federal grant expenses exceeded total federal grant revenue by \$42,254 as a result of a change in the indirect cost rate (i.e., from the provisional rate to the approved rate), which impacted both fiscal years 2023 and 2024.

NOTE D – INDIRECT COST RATE

Street Law, Inc. elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

STREET LAW, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report issued on the financial statements	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Major Programs

Name of Federal Programs or Clusters:	
U.S. Department of Education Congressional	Presidential and Academies for American History and Civics 84.422
Assistance Listing Number:	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

STREET LAW, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024
(continued)

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Not applicable