

**LONE STAR JUSTICE ALLIANCE**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**December 31, 2024 and 2023**

**Lone Star Justice Alliance  
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## **Independent Auditors' Report**

Board of Directors  
Lone Star Justice Alliance  
Austin, Texas

### **Opinion**

We have audited the accompanying financial statements of Lone Star Justice Alliance (a nonprofit organization), which comprise the statements of financial position as of December, 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 referred to above present fairly, in all material respects, the financial position of Lone Star Justice Alliance as of December 31, 2024 and 2023, and the results of its operations 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lone Star Justice Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lone Star Justice Alliance's ability to continue as a going concern within one year after the date that the financial statements are issued.

## **Auditors' 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 auditors' 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 Lone Star Justice Alliance'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 Lone Star Justice Alliance'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.

*Atchley & Associates, LLP*

Austin, Texas

December 1, 2025

**Lone Star Justice Alliance**  
**Statements of Financial Position**  
**December 31, 2024 and 2023**

**ASSETS**

<b>Current assets</b>	2024	2023
Cash and cash equivalents	\$ 676,523	\$ 611,116
Receivables		
Grants	606,531	346,037
Other	1,570	274
Pledge receivable, current portion	63,492	63,492
Total receivables	671,593	409,803
Prepaid expenses	16,298	2,390
Total current assets	1,364,414	1,023,309
<b>Non-Current assets</b>		
Pledge receivable, net of discount and current portion	149,916	199,558
Right of use assets	66,528	124,785
Security deposit	4,500	4,500
Total non-current assets	220,944	328,843
<b>Total assets</b>	\$ 1,585,358	\$ 1,352,152

**LIABILITIES AND NET ASSETS**

<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 59,888	\$ 111,273
Deferred revenue	257,720	
Long-term debt, current portion	23,900	23,900
Operating leases, current portion	59,836	59,668
Total current liabilities	401,344	194,841
<b>Non-Current liabilities</b>		
Long-term debt, net of current portion	60,879	87,818
Operating leases, net of current portion	7,198	65,562
Total liabilities	469,421	348,221
<b>Net assets</b>		
Without donor restrictions	480,350	(86,625)
With donor restrictions	635,587	1,090,556
Total net assets	1,115,937	1,003,931
<b>Total liabilities and net assets</b>	\$ 1,585,358	\$ 1,352,152

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

**Lone Star Justice Alliance**  
**Statement of Activities**  
**For the Year Ended December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions For Time or Purpose	Total
Public support and revenue			
Contributions	\$ 291,949	\$ 2,518	\$ 294,467
Private grants	469,129	1,440,401	1,909,530
Contributed nonfinancial assets	637,623	6,802	644,425
Fundraising events income, net	30,992		30,992
Other revenue	248,163		248,163
Net assets released from restrictions	1,904,690	(1,904,690)	
Total public support and revenue	<u>3,582,546</u>	<u>(454,969)</u>	<u>3,127,577</u>
Expenses			
Program services	2,498,074		2,498,074
Administrative and general	430,625		430,625
Fundraising	86,872		86,872
Total expenses	<u>3,015,571</u>		<u>3,015,571</u>
Change in net assets	566,975	(454,969)	112,006
Net assets - beginning of year	<u>(86,625)</u>	<u>1,090,556</u>	<u>1,003,931</u>
Net assets - end of year	<u>\$ 480,350</u>	<u>\$ 635,587</u>	<u>\$ 1,115,937</u>

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

**Lone Star Justice Alliance**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions For Time or Purpose	Total
Public support and revenue			
Contributions	\$ 169,663	\$ 85,783	\$ 255,446
Private grants	411,275	1,118,000	1,529,275
Contributed nonfinancial assets	324,781	294,796	619,577
Fundraising events income, net			
Other revenue	280,619		280,619
Net assets released from restrictions	990,464	(990,464)	
Total public support and revenue	<u>2,176,802</u>	<u>508,115</u>	<u>2,684,917</u>
Expenses			
Program services	1,583,207		1,583,207
Administrative and general	275,817		275,817
Fundraising	70,441		70,441
Total expenses	<u>1,929,465</u>		<u>1,929,465</u>
Change in net assets	247,337	508,115	755,452
Net assets - beginning of year	<u>(333,962)</u>	<u>582,441</u>	<u>248,479</u>
Net assets - end of year	<u>\$ (86,625)</u>	<u>\$ 1,090,556</u>	<u>\$ 1,003,931</u>

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

**Lone Star Justice Alliance**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2024**

	Program Services	Administrative and General	Fundraising	Total
Personnel	\$ 1,162,345	\$ 217,211	\$ 9,939	\$ 1,389,495
Direct participant support	788,651			788,651
Professional services	105,983	114,466	73,863	294,312
Occupancy	128,199	18,135	592	146,926
Travel and meals	91,844	16,302	911	109,057
Grants to other organizations	103,370			103,370
Technology and software	53,893	7,396	217	61,506
Supplies and materials	18,841	23,512	788	43,141
Other expenses	24,074	4,065	549	28,688
Advertising	18,968	2,049		21,017
Insurance	1,906	13,304	13	15,223
Bank fees and interest		14,185		14,185
Depreciation				
<b>TOTAL EXPENSES</b>	<b>\$ 2,498,074</b>	<b>\$ 430,625</b>	<b>\$ 86,872</b>	<b>\$ 3,015,571</b>

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

**Lone Star Justice Alliance**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2023**

	Program Services	Administrative and General	Fundraising	Total
Personnel	\$ 845,833	\$ 72,059	\$ 26,816	\$ 944,708
Direct participant support	436,494			436,494
Professional services	78,232	150,697	38,034	266,963
Occupancy	112,349	6,835	2,188	121,372
Travel and meals	34,744	3,159	907	38,810
Grants to other organizations				
Technology and software	61,255	2,695	2,089	66,039
Supplies and materials	1,398	11,953	385	13,736
Other expenses	1,183	653		1,836
Advertising	755			755
Insurance	7,123	5,314	22	12,459
Bank fees and interest		20,050		20,050
Depreciation	3,841	2,402		6,243
<b>TOTAL EXPENSES</b>	<b>\$ 1,583,207</b>	<b>\$ 275,817</b>	<b>\$ 70,441</b>	<b>\$ 1,929,465</b>

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

**Lone Star Justice Alliance**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 112,006	\$ 755,452
Adjustments to reconcile increase in net assets to net cash flows from operating activities:		
Depreciation expense		6,243
Discount on pledge receivable donated building	8,814	11,332
Operating lease right of use asset expense, net	61	225
(Increase) decrease in operating assets		
Receivables	(220,962)	(320,483)
Prepaid expense	(13,908)	5,082
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(51,385)	(2,392)
Deferred revenue	257,720	
Net cash flows from operating activities	92,346	455,459
<b>FINANCING ACTIVITIES</b>		
Payments on long-term debt	(26,939)	(21,756)
Net cash flows from financing activities	(26,939)	(21,756)
Net change in cash and cash equivalents	65,407	433,703
<b>Cash and cash equivalents:</b>		
Beginning of year	611,116	177,413
End of year	\$ 676,523	\$ 611,116
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 11,577	\$ 14,572

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

**Lone Star Justice Alliance**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**NOTE A - NATURE OF OPERATIONS**

Lone Star Justice Alliance (LSJA) was established in 2017 as a nonprofit organization to boldly address systemic failures in the justice system through advocacy and innovative evidence-based programs that improve life outcomes for youth and emerging adults. LSJA envisions a justice system that's fair, humane, and tailored to young people—one that supports their growth, respects their dignity, and keeps communities safe, all while using resources wisely.

LSJA has three main program areas: (1) Transformative Justice - LSJA is rethinking how the justice system and communities address the behaviors of young people through our Transformative Justice model. By examining current practices and introducing innovative solutions, LSJA aims to move away from punishment and toward a system that addresses the root causes of their struggles, like unmet needs and lack of support. (2) Strategic Litigation - LSJA challenges the laws and policies that send children to adult courts and fights for systemic changes that enforce constitutional rights to due process and access to counsel. Legal efforts focus on challenging unjust laws and practices, particularly those that criminalize and excessively punish young people. (3) Advocacy - LSJA advances systemic change by tackling barriers to justice and equity through statewide policy initiatives and community-driven local collaborations. LSJA's Advocacy Department aims to create meaningful reform in Texas' justice system, fostering safety, equity, and opportunity.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting* - The accompanying financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America (GAAP).

*Classification of Net Assets* - Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of LSJA and changes therein are classified as follows:

Net assets without donor restriction - Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restriction - Net assets subject to donor-imposed stipulations which expire when the stipulated purpose for which the resource was restricted has been fulfilled.

*Net Assets Released From Restrictions* - When a donor-imposed restriction is fulfilled or when a time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as released from restrictions.

*Cash and Cash Equivalents* - Cash and cash equivalents include cash on hand.

*Contributions* - Contributions received are recorded as with or without donor restrictions depending on the existence or nature of donor stipulations. Conditional contributions are recognized as revenue when the underlying condition has been met. Any received funds from a conditional contribution with conditions not yet met are recognized as deferred revenue in the statement of financial position.

**Lone Star Justice Alliance**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

*Grant Revenue* - LSJA has grant agreements and contracts with funding sources that are considered conditional promises to give and cost reimbursement contracts. Revenue on these types of grant agreements and contracts are reported when the conditions specified are met. Generally, the conditions to be met are compliance with specific grant terms and delivery of specific program services. Grant agreements and contracts that award funding without any conditions, and unconditional promises to give, are reported as revenue when the funding is awarded.

*Legal Services Revenue* - Legal services revenue represents fee for service arrangements. Revenues are reported as the services are rendered.

*Contributed nonfinancial assets* - Contributed professional services are recognized as contributed nonfinancial assets if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the contributions. Contributions of professional services are recorded at fair market value. Contributions of tangible assets are capitalized at fair value when received.

*Grants Receivable* - LSJA considers grants receivable to be fully collectible. Accordingly, no allowance for credit losses is required for grants receivable.

*Pledges Receivable* - LSJA considers pledges receivable to be fully collectible and consist of unconditional promises to use office space and recorded at net realizable value. See Note I and Note K.

*Functional Accounting* - The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or that relate to a specific source of revenue are allocated directly to that program. All expenses were allocated based on time and effort.

*Fixed Assets* - LSJA reports fixed assets at historical cost if purchased, or at fair value if donated, less accumulated depreciation. Fixed assets purchased in excess of \$5,000 are capitalized. Repairs and maintenance costs are expensed as incurred while betterments and improvements are capitalized. Provision for depreciation is recognized using primarily the straight-line method over the estimated useful lives of the depreciable assets. Upon the sale or other retirement of depreciable assets, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statement of activities. As of December 31, 2024 and 2023, all fixed assets represented computers and software and were fully depreciated.

*Leases* - LSJA determines if an arrangement is a lease or contains a lease at inception of the agreement. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, lessee leases are classified as operating or finance leases based upon various criteria. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of fixed lease payments over the lease terms. In determining the present value of lease payments, LSJA uses the implicit interest rate if readily determinable. When the implicit interest rate is not readily determinable, LSJA uses its incremental borrowing rate, which is based on its collateralized borrowing capabilities over a similar term of the lease payments.

**Lone Star Justice Alliance**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

*Leases (Continued)* - The lease term commences on the date the lessor makes the asset available to LSJA and includes any renewal periods LSJA is reasonably certain to exercise. Operating lease liabilities are amortized to operating expenses on a straight-line basis over the respective lease terms; related lease liabilities and right-of-use assets are reduced over the respective lease terms using the effective interest method. Finance lease liabilities are amortized using the effective interest method, with related interest reported as interest expense. Finance right-of-use assets are amortized to operating expenses on a straight-line basis over the lesser of the lease term or the useful life of the asset.

LSJA has elected not to recognize short-term leases (with terms of one year or less) as lease liabilities and right-of use assets; related expenses are recognized on a straight-line basis over the lease term. LSJA elected the package of practical expedients, which does not require reassessment of lease classification, whether a contract contains a lease, or initial direct costs. LSJA did not elect the use-of-hindsight practical expedient, which, if adopted, would have required LSJA to use it to reassess impairment of right-of-use assets and determination of lease terms, including with respect to renewals, terminations, and other purchase options.

*Federal Income Taxes* - LSJA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986. In addition, LSJA has been designated not a private foundation for income tax purposes. Accordingly, no provision for income taxes is included in these financial statements.

LSJA accounts for their uncertain tax positions in accordance with FASB ASC 740, *Accounting for Uncertainty in Income Taxes*. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the positions will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely of being realized upon settlement with the applicable taxing authority. As of December 31, 2024 and 2023, LSJA has not recognized liabilities for uncertain tax positions or associated interest and penalties. The tax returns for the years ended December 31, 2021, and after are open to examination by federal and local authorities.

*Estimates and Assumptions* - The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

*Reclassification* - Certain prior year amounts have been reclassified to conform to the fiscal year 2024 presentation.

*Subsequent Events* - Management of LSJA has evaluated subsequent events for disclosure through the date of the independent auditors' report, the date the financial statements were available to be issued.

**Lone Star Justice Alliance**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**NOTE C - CONCENTRATIONS**

*Concentration of Credit Risk* - Financial instruments which potentially subject LSJA to credit risk principally consist of cash held in financial institutions. LSJA deposits its cash with high credit quality financial institutions. At December 31, 2024, LSJA held \$425,514 in deposit in excess of the Federal Deposit Insurance Corporation (FDIC), which were not insured or bank guaranteed.

*Concentration of Donor Risk* - LSJA had certain organizations whose contributions individually represented 10% or more of total contribution revenue. For the years ended December 31, 2024 and 2023, one organization accounted for 19% and two organizations accounted for 21% of total revenue, respectively.

*Concentrations of Grants Receivables* - As of December 31, 2024 and 2023, one organization accounted for 17% and two organization accounted for 21% of total current assets, respectively.

**NOTE D - GRANTS AND PLEDGES RECEIVABLE**

Grants, pledges, and other receivables collectible in future periods as of December 31, 2024 and 2023:

Expected to be collected in:	<u>2024</u>	<u>2023</u>
Less than one year	\$ 671,593	\$ 409,803
One to five years	158,730	210,890
Over five years		
Receivables, gross	<u>830,323</u>	<u>620,693</u>
Less: Discount on pledge receivable	8,814	11,332
Receivables, net	<u>\$ 821,509</u>	<u>\$ 609,361</u>

**NOTE E - LONG-TERM DEBT**

On September 11, 2019, LSJA established a \$150,000 revolving line of credit. The line of credit was guaranteed by a board member of LSJA. On May 24, 2022, the line of credit was converted to a term loan of \$150,000 with an interest rate of 3.00 percentage points over the prime rate, 7.50 percent as of December 31, 2024, as published by the Wall Street Journal. Interest expense related to the long-term debt for the years ended December 31, 2024 and 2023, was \$11,572 and \$13,979, respectively.

Expected future minimum principal payments consisted of the following as of December 31, 2024:

2025	26,798
2026	30,048
2027	27,933
	<u>\$ 84,779</u>

**Lone Star Justice Alliance**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**NOTE F - NET ASSETS WITH DONOR RESTRICTIONS**

At December 31, 2024 and 2023, net assets with donor restrictions for time or purpose consist of:

	<u>2024</u>	<u>2023</u>
Purpose - Reimagine Justice	\$ 333,417	\$ 643,663
Purpose - Transformative Justice	19,991	197,276
Purpose - Advocacy	40,130	50,000
Purpose - Juvenile Sentencing Project		14,129
Healthcare Advancement for Women	167,049	10,488
Time restricted for 2025/2024 operations	75,000	175,000
	<u>\$ 635,587</u>	<u>\$ 1,090,556</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time. Net assets released from restrictions during the years ended December 31, 2024 and 2023, consisted of:

	<u>2024</u>	<u>2023</u>
Purpose - Reimagine Justice	\$ 851,479	\$ 518,089
Purpose - Transformative Justice	598,785	158,775
Purpose - Advocacy	136,411	102,172
Purpose - Juvenile Sentencing Project	100,000	96,428
Healthcare Advancement for Women	78,145	
Administrative Infrastructure	39,870	15,000
Time restricted for 2024/2023 operations	100,000	100,000
	<u>\$ 1,904,690</u>	<u>\$ 990,464</u>

**NOTE G - CONDITIONAL CONTRIBUTIONS**

LSJA has \$457,720 and \$0, of remaining conditional contributions related to establishing new programs and expanding existing programs as of December 31, 2024 and 2023, respectively, of which \$257,720 and \$0 is recorded as deferred revenue as of December 31, 2024 and 2023, respectively.

**NOTE H - RELATED PARTY TRANSACTIONS**

In 2024 and 2023, LSJA received \$25,000 and \$100,000 respectively, from foundations of which a board member serves as a trustee.

In 2024 and 2023, LSJA received \$38,410 and \$105,725, respectively, in donations from board members and their immediate family members.

Donations amounting to \$25,000 and \$50,000 were receivable from a board member as of December 31, 2024 and 2023, respectively.

**Lone Star Justice Alliance**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**NOTE I - CONTRIBUTED NONFINANCIAL ASSETS**

LSJA received in-kind contributions during the years ended December 31, 2024 and 2023, as follows:

	<u>2024</u>	<u>2023</u>
Donated services	\$ 630,575	\$ 324,781
Donated goods	13,850	294,796
	<u>\$ 644,425</u>	<u>\$ 619,577</u>

Donated services include professional legal service provided to various programs. These services were valued at fair value based on the service provided and what the service provider would have charged for those services.

Donated goods include office space for 5 years provided by donor to be used by the organization for its charitable purpose. The office space lease was valued at present value based on the rent charged by the donor for the similar space and using discount rate for the lease period and the remaining balance to be recognized in future periods is reported as a pledge receivable in the accompanying statement of financial position.

**NOTE K - LEASES**

LSJA leases its office spaces in Austin and Dallas, Texas under long-term, non-cancelable operating lease agreements.

	<u>2024</u>	<u>2023</u>
Operating lease cost:		
Amortization of right of use asset	\$ 59,729	\$ 59,728
Short-term rentals	509	5,905
Donated office space	58,455	31,746
Total operating lease cost	<u>\$ 118,693</u>	<u>\$ 97,379</u>
Current lease liability	\$ 59,836	\$ 59,668
Long-term lease liability	7,198	65,562
	<u>\$ 67,034</u>	<u>\$ 125,230</u>
Cash paid for amounts included in the measurement of operating lease liabilities in operating cash flows	\$ 64,092	\$ 64,754
Weighted average remaining lease term in years	1.27	2.20
Weighted average discount rate	1.6%	1.4%

**Lone Star Justice Alliance**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**NOTE K - LEASES - continued**

Future minimum rental payments under operating leases consisted of the following as of December 31, 2024:

		\$	59,836
2025			6,012
2026			2,024
2027			67,872
Total undiscounted lease liabilities			67,872
Less: net present value discount			838
			67,034
Present value of net minimum lease payments			67,034
Less: current portion			59,836
			7,198
Total long-term operating lease liabilities		\$	7,198

**NOTE L - AVAILABLE RESOURCES AND LIQUIDITY**

The table below presents financial assets available for general expenditures within one year at December 31:

	<b>2024</b>		<b>2023</b>
Financial assets at year-end			
Cash and cash equivalents	\$ 676,523	\$	611,116
Grants and other receivables	671,593		409,803
Total financial assets at year-end	1,348,116		1,020,919
Less: amounts not available to be used within one year			
Grants, pledges, and other receivables to be collected after one year	158,730		210,890
Financial assets available to meet general expenditures over the next 12 months	\$ 1,189,386	\$	810,029

In addition to financial assets available to meet general expenditures over the next 12 months, LSJA operates with a balanced budget and anticipates only incurring expenses if adequate funds are available to pay for them. LSJA regularly monitors liquidity required to meet its operating needs and other contractual commitments. LSJA considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.