LEVITT & QUINN FAMILY LAW CENTER, INC.

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

December 31, 2025

Gursey | Schneider LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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Independent Auditor's Report

To the Board of Directors
Levitt & Quinn Family Law Center, Inc.
Los Angeles, California

Opinion

We have audited the financial statements of Levitt & Quinn Family Law Center, Inc. (the "Organization" or "LQ"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Gursey | Schneider LLP

April 21, 2026
Los Angeles, California

LEVITT & QUINN FAMILY LAW CENTER, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Financial Position
December 31, 2025

ASSETS

ASSETS		
Cash and cash equivalents	$	623,823
Accounts receivable		84,871
Prepaid expenses and other assets		36,227
Property and equipment, net		378,833
TOTAL ASSETS	$	1,123,754

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	$	7,850
Accrued expenses		37,938
Mortgage loan		14,775
TOTAL LIABILITIES		60,563
NET ASSETS		
Without donor restrictions		1,063,191
TOTAL LIABILITIES AND NET ASSETS	$	1,123,754

See Independent Auditor's Report and Accompanying Notes to Financial Statements

LEVITT & QUINN FAMILY LAW CENTER, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025

	Without Donor Restrictions
REVENUES	
Contributions and grants	$ 198,636
Program service revenues	832,595
Donated goods and services	87,056
Special event income	383,615
Special event expenses	(99,978)
Special event expenses - in-kind	(3,960)
Special events, net	279,677
Interest income	9,365
TOTAL REVENUES	1,407,329
EXPENSES	
Program services	1,098,091
Supporting services	165,926
Fundraising expenses	118,629
TOTAL EXPENSES	1,382,646
CHANGE IN NET ASSETS	24,683
NET ASSETS, Beginning of year	1,038,508
NET ASSETS, End of year	$ 1,063,191

See Independent Auditor's Report and Accompanying Notes to Financial Statements

LEVITT & QUINN FAMILY LAW CENTER, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Supporting Services	Fundraising Expenses	Total Expenses
Salaries and Related Expenses				
Salaries	$ 745,536	$ 65,213	$ 86,678	$ 897,427
Health insurance	66,973	5,845	7,763	80,581
Payroll taxes	55,518	4,854	6,453	66,825
Subtotal	868,027	75,912	100,894	1,044,833
Other Expenses				
Bank charges	-	31,622	-	31,622
Computer and office systems	38,499	4,353	5,730	48,582
Depreciation	19,783	1,851	2,384	24,018
Development software	-	7,701	-	7,701
Dues and subscriptions	9,468	758	1,028	11,254
Event expenses	-	-	103,938	103,938
Insurance	17,281	1,512	2,010	20,803
Interest	-	3,879	-	3,879
Meetings and workshops	3,577	298	402	4,277
Parking and mileage	2,377	189	250	2,816
Postage	2,349	203	270	2,822
Professional fees - donated	87,056	-	-	87,056
Professional fees - other	4,006	33,400	460	37,866
Repairs and maintenance	5,520	495	651	6,666
Supplies	4,377	633	399	5,409
Telephone	8,448	734	979	10,161
Utilities	27,323	2,386	3,172	32,881
Subtotal	1,098,091	165,926	222,567	1,486,584
Less: Special event expenses	-	-	(103,938)	(103,938)
TOTAL EXPENSES	$ 1,098,091	$ 165,926	$ 118,629	$ 1,382,646
Percent of total expenses	*79.4%*	*12.0%*	*8.6%*	*100.0%*

See Independent Auditor's Report and Accompanying Notes to Financial Statements

LEVITT & QUINN FAMILY LAW CENTER, INC.
(A California Nonprofit Public Benefit Corporation)
Statement of Cash Flows
For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	24,683
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		24,018
Amortization of loan fees included in interest expense		1,035
(Increase) decrease in assets:		
Accounts receivable		758
Prepaid expenses and other assets		(12,273)
Increase (decrease) in liabilities:		
Accounts payable		(1,360)
Accrued expenses		(470)
NET CASH PROVIDED BY OPERATING ACTIVITIES		36,391
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt		(35,617)
NET INCREASE IN CASH AND CASH EQUIVALENTS		774
CASH AND CASH EQUIVALENTS, Beginning of year		623,049
CASH AND CASH EQUIVALENTS, End of year	$	623,823
CASH PAID DURING THE YEAR FOR:		
Interest	$	2,844

See Independent Auditor's Report and Accompanying Notes to Financial Statements

NOTE 1 - NATURE OF ORGANIZATION

Levitt & Quinn Family Law Center, Inc. (the "Organization" or "LQ"), a California nonprofit public benefit corporation, was incorporated in 1985. LQ is a nonprofit family law center whose mission is to protect children and to stand with family members in crisis. LQ provides a full range of family law legal services for poor and low-income families who are unable to qualify for help from other legal service providers or to afford private attorney representation. LQ attorneys and volunteers provide legal assistance in cases impacting the safety and well-being of children and the security and economic well-being of families.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates - The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents - Cash and cash equivalents include cash held in money market and checking accounts which are insured up to the federal limit by the Federal Deposit Insurance Corporation. Cash and cash equivalents have maturities at date of purchase of three months or less. At times, the cash balance maintained at a single financial institution may exceed federally insured limits. LQ has not experienced any losses in such accounts, and accordingly LQ believes they are not exposed to any significant credit risk.

Net Asset Accounting - To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts are maintained in accordance with the principles of net assets accounting. Net assets, revenues, and releases from restrictions are classified based on the existence or absence of donor- or board-imposed restrictions. Accordingly, the net assets and the changes therein are classified and reported in two categories of net assets.

- **Without Donor Restrictions** - Net assets that are not subject to donor-imposed restrictions, including the net investment in fixed assets, gifts with no donor restrictions and current funds without donor restriction.

- **With Donor Restrictions** - Net assets that are subject to donor-imposed restrictions that limit the use of their contributions. Donor restrictions may result in temporarily restricted net assets, where the use of contributions is limited by donor-imposed stipulations that either expire by the passage of time or when used for specified purposes. Donor restrictions may also result in permanently restricted net assets, where the donor stipulations neither expire by the passage of time nor can be fulfilled or otherwise removed by LQ's actions. LQ had no temporarily restricted or permanently restricted net assets on December 31, 2025.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Recognition of Restricted Contributions - LQ recognizes contributions, including unconditional promises to give, as revenue in the period received, at fair value. LQ reports amounts in the accompanying financial statements for each of two classes of net assets, without donor restrictions and with donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restrictions expire or purpose is fulfilled in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in net assets with donor restrictions. Net assets with donor restrictions become available once the restrictions have been satisfied. Once satisfied, these are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions.

Revenue Recognition - LQ recognizes program service revenues as legal services are provided. The provision of hours of service billed, or sessions of service provided satisfies the performance obligation for recognizing revenues. Generally, amounts are received at the time service is rendered or amounts are billed to various agencies on behalf of specific clients served. Revenues from providing legal services are based on time and expense records for providing legal representation at a negotiated fee schedule.

Legal services provided under agency billed programs with two separate contract awards are billed after the month services are provided and recognized as revenue in the month services are provided. Agency billed programs also follow a negotiated hourly or session fee schedule. Included in accounts receivable are $84,871 of amounts billed under agency agreements for services provided to these two agencies as of December 31, 2025.

Accounts receivable related to providing legal services are included in accounts receivable. The Organization follows an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. All receivable balances on December 31, 2025 are expected to be collected and therefore, no valuation allowance was deemed necessary.

Grants and Contributions Receivable - Grants and contributions receivables are recorded when accrued and are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. On December 31, 2025, no valuation allowance was deemed necessary. There were no grants and contributions receivable balances as of December 31, 2025.

Contributions of Nonfinancial Assets - Contributed services are recognized if the services received (a) increase or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. LQ receives a significant amount of contributed time from attorneys or legal firms.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Functional Expenses - The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. LQ incurs expenses that relate to, and can be assigned to, a specific program or supporting activity. LQ also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on estimates of time and effort incurred by personnel. Salaries and general overhead costs are allocated based on such allocation.

Loan Costs - Debt issuance costs are presented on the statement of financial position as a direct deduction from the carrying amount of the related debt liability, which is similar to the presentation of debt discounts or premiums. The loan costs are amortized to interest expense using the effective interest method.

Property and Equipment - Acquisition of property and equipment in excess of $1,000 is capitalized at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful lives of the assets as follows:

Building and Improvements	7 to 30 years
Furniture and Equipment	5 to 7 years

Investments - LQ accounts for its investments at fair value, determined by quoted market prices. Purchases and sales of investments are recorded on the trade date. Dividend income is recorded based on the record date. Interest income is recorded as earned on an accrual basis. Realized gains and losses are recorded upon disposition of securities. Investment income and realized and unrealized gains and losses are recognized as unrestricted net assets unless their use is restricted by donors to a specified purpose or future period.

During the year ended December 31, 2025, LQ established a new investment account. As of the year end, the account consisted solely of money market funds, which was classified as cash and cash equivalents in the accompanying financial statements. The Organization recognized $9,365 of interest income during the year ended December 31, 2025.

Concentrations of Risk - As of and during the year ended December 31, 2025, 55% of the total revenue was received from two service agencies and all of the accounts receivables are due from these same two service agency grants.

Income Taxes - LQ is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. LQ is classified by the Internal Revenue Service as other than a private foundation.

LQ recognizes the impact of tax positions in the financial statements if the positions are more likely than not to be sustained on audit, based on the technical merits of the position. LQ has no recognized / derecognized tax benefits, tax penalties, or interest. Federal income tax and informational returns for tax years ending December 31, 2022 and subsequent years remain subject to examination by the Internal Revenue Service. The returns for California remain subject to examination by the California Franchise Tax Board for years 2021 and subsequent.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Fair Value Measurements - The carrying amount of LQ's cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximates fair market value due to the short-term maturities of these instruments.

Subsequent Events - Subsequent events have been evaluated through April 21, 2026, the date the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets consist of cash and cash equivalents and receivables. The following represents financial assets as of December 31, 2025, reduced by amounts not available for general use within one year of December 31, 2025 because of contractual or donor-imposed restrictions and other restrictions:

Cash and cash equivalents	$ 623,823
Accounts receivable	84,871
	$ 708,694

The Organization monitors its liquidity position on a regular basis and maintains cash balances sufficient to meet its general expenditures, liabilities, and other obligations as they come due. In addition, the Organization manages its operating cash flows to ensure the availability of resources to support ongoing program activities and administrative functions. LQ has a cash reserve account in which the Organization maintains three months' worth of operating expenses.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment held for use is comprised of the following on December 31, 2025:

Land	$ 176,221
Building	176,221
Building Improvements	586,731
Furniture and Equipment	55,166
	994,339
Less: Accumulated Depreciation	(615,506)
	$ 378,833

Depreciation expense for the year ended December 31, 2025 was $24,018.

NOTE 5 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization recognizes contributed nonfinancial assets as revenue in the accompanying statement of activities in accordance with U.S. GAAP. Contributed nonfinancial assets consist primarily of donated professional services and donated goods for fundraising events. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The donated goods and services from the current fiscal year and prior periods were used or consumed as follows:

Category	Amount	Utilization	Donor Restriction
Legal Services	$ 87,056	Program services	No
Wine Consumed for Special Events	3,960	Fundraising events	No
	$ 91,016		

All contributed nonfinancial assets were utilized during the year in the Organization's programs and supporting services, except for approximately $10,440 of donated goods remaining on hand at year-end, which is included in prepaid expenses and other assets on the statement of financial position.

Valuation Techniques and Inputs

The Organization determines fair value of contributed nonfinancial assets based on the principal market in which it would sell or utilize the contributed assets, which is typically the local or regional market where the Organization operates.

Key assumptions used in determining fair value include:

- Market-based hourly billing rates for legal professionals
- Retail or wholesale pricing data for comparable goods
- Condition and utility of donated items at the time of contribution

The Organization believes these valuation techniques and inputs are reasonable and consistent with those that would be used by market participants.

Legal services
Valued based on estimated hourly rates for similar services provided by attorneys in the Organization's geographic area. Rates are determined based on prevailing market data for legal professionals with similar expertise and experience.

Donated goods (wine)
Valued using estimated retail prices for similar items in the principal market at the time of donation.

NOTE 6 - MORTGAGE LOAN

On January 11, 2017, LQ obtained a $500,000 term loan. The loan matures on February 1, 2027, and initially charged interest at a fixed rate of 4.535% for a five-year period. At the beginning of the sixth year, the fixed interest rate changed to a variable rate calculated as the Secured Overnight Financing Rate (SOFR) rate plus a margin of 0.428 (SOFR+ Rate). The variable rate adjusts every six months. The SOFR+ will be used to determine the new rate of the loan for rate changes. The loan principal amortizes over a 25-year period with the unpaid principal balance due on the maturity date.

LQ granted a first deed of trust on the land and building as collateral for the loan. As part of the underwriting process, the lender engaged a real estate appraiser to value the land and building. At that time, the appraiser provided a report to the bank indicating the real estate collateral was valued at $1.9 million (unaudited).

The proceeds from the loan were invested in order to provide working capital. At December 31, 2025, the remaining long-term debt balance is summarized as follows:

Principal Balance	$	15,949
Unamortized Loan Costs		(1,174)
Long-Term Debt, Net	$	14,775

The following table summarized the future minimum principal due under this mortgage loan.

Years Ending December 31,		
2026	$	193
2027		15,756
	$	15,949

NOTE 7 - EMPLOYEE BENEFIT PLAN

LQ sponsors a 403(b) plan for the benefit of its employees covering all employees. Employees are eligible to contribute to the plan commencing on their first day of employment. Participating employees are permitted to make qualifying elective contributions, subject to statutory limitations by IRS. No amounts were contributed for the year ended December 31, 2025.