

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2023
(with comparable totals for 2022)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Legal Aid Society of Palm Beach County, Inc.
West Palm Beach, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Legal Aid Society of Palm Beach County, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Legal Aid Society of Palm Beach County, Inc. as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Legal Aid Society of Palm Beach County, Inc. 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 Legal Aid Society of Palm Beach County, 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 Legal Aid Society of Palm Beach County, 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 Legal Aid Society of Palm Beach County, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of Legal Aid Society of Palm Beach County, 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 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 Legal Aid Society of Palm Beach County, 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 Legal Aid Society of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

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 and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.650, Rules of the Auditor General, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the schedule of Public Guardianship Program – State Funds is presented for purposes of additional analysis as required by the Florida Department of Elder Affairs, and is also not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance, and Public Guardianship Program – State Funds are the responsibility of management and were 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 schedules of expenditures of federal awards and state financial assistance, and Public Guardianship Program – State Funds are fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Legal Aid Society of Palm Beach County, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
March 26, 2024

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF FINANCIAL POSITION

As of September 30, 2023

(with comparable totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
ASSETS				
Cash and cash equivalents	\$ 4,030,937	\$ -	\$ 4,030,937	\$ 3,843,919
Investments	1,543,759	-	1,543,759	547,235
Accounts receivable	1,470,971	48,750	1,519,721	1,743,425
Other receivable	16,957	-	16,957	752
Prepaid expenses	82,570	-	82,570	78,358
	<u>7,145,194</u>	<u>48,750</u>	<u>7,193,944</u>	<u>6,213,689</u>
Total current assets				
Cash - designated	3,695,410	-	3,695,410	3,065,466
Deposits	4,750	-	4,750	4,750
Beneficial interest in trust	-	68,302	68,302	64,297
Furniture and equipment, net	45,294	-	45,294	25,390
Right-of-use assets:				
Operating leases, net	1,504,439	-	1,504,439	-
Financing leases, net	29,519	-	29,519	-
	<u>\$ 12,424,606</u>	<u>\$ 117,052</u>	<u>\$ 12,541,658</u>	<u>\$ 9,373,592</u>
Total assets				
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 131,790	\$ -	\$ 131,790	\$ 123,404
Accrued compensation	531,881	-	531,881	509,159
Deferred revenues	74,494	-	74,494	41,999
Refundable advances	169,127	-	169,127	311,575
Lease obligations, current portion:				
Operating leases	586,633	-	586,633	-
Financing leases	23,063	-	23,063	-
	<u>1,516,988</u>	<u>-</u>	<u>1,516,988</u>	<u>986,137</u>
Total current liabilities				
Trust account	11,506	-	11,506	180,220
Public guardianship account	3,683,904	-	3,683,904	2,885,246
Lease obligations:				
Operating leases	929,296	-	929,296	-
Financing leases	7,372	-	7,372	-
	<u>6,149,066</u>	<u>-</u>	<u>6,149,066</u>	<u>4,051,603</u>
Total liabilities				
Net assets:				
Without donor restrictions	6,275,540	-	6,275,540	5,208,942
With donor restrictions	-	117,052	117,052	113,047
	<u>6,275,540</u>	<u>117,052</u>	<u>6,392,592</u>	<u>5,321,989</u>
Total net assets				
Total liabilities and net assets	<u>\$ 12,424,606</u>	<u>\$ 117,052</u>	<u>\$ 12,541,658</u>	<u>\$ 9,373,592</u>

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

(with comparable totals for 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
Support and revenues:				
Governmental grants	\$ 10,498,466	\$ -	\$ 10,498,466	\$ 10,678,189
Foundation grants	1,033,893	-	1,033,893	601,548
Other grants	319,047	65,000	384,047	371,053
Contributions	834,684	-	834,684	759,825
Program service revenue	196,621	-	196,621	165,611
Special events and activities	413,983	-	413,983	370,454
Investment income	132,986	-	132,986	15,640
Change in unrealized gain (loss) on investments	53,206	-	53,206	(119,977)
Change in value of beneficial interest in trust	-	4,005	4,005	(9,771)
Other	341,007	-	341,007	6,199
	<u>13,823,893</u>	<u>69,005</u>	<u>13,892,898</u>	<u>12,838,771</u>
Total support and revenues				
Net assets released from restrictions	<u>65,000</u>	<u>(65,000)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	11,531,003	-	11,531,003	11,815,264
Management and general	837,684	-	837,684	636,883
Fundraising	453,608	-	453,608	326,964
	<u>12,822,295</u>	<u>-</u>	<u>12,822,295</u>	<u>12,779,111</u>
Total expenses				
Change in net assets	1,066,598	4,005	1,070,603	59,660
Net assets, beginning of year	<u>5,208,942</u>	<u>113,047</u>	<u>5,321,989</u>	<u>5,262,329</u>
Net assets, end of year	<u>\$ 6,275,540</u>	<u>\$ 117,052</u>	<u>\$ 6,392,592</u>	<u>\$ 5,321,989</u>

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2023

(with comparable totals for 2022)

	2023 Totals	2022 Totals
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 12,831,047	\$ 12,028,537
Cash received from client agencies	196,621	165,611
Cash received from fundraising events	446,478	173,475
Investment income	132,986	15,640
Other cash received	341,007	23,363
Cash paid to employees	(10,584,082)	(10,205,847)
Cash paid for goods and services	(1,789,828)	(2,503,202)
Cash paid on operating leases	(379,220)	-
Net cash provided by (used in) operating activities	<u>1,195,009</u>	<u>(302,423)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	2,912,825	-
Purchase of investments	(3,856,143)	(11,997)
Purchase of furniture and equipment	(34,635)	-
Net cash used in investing activities	<u>(977,953)</u>	<u>(11,997)</u>
Cash flows from financing activities:		
Advances under agency transactions	629,158	502,252
Principal payments on lease obligations	(29,252)	-
Net cash provided by financing activities	<u>599,906</u>	<u>502,252</u>
Net change in cash and cash equivalents	816,962	187,832
Cash and cash equivalents, beginning of year	<u>6,909,385</u>	<u>6,721,553</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,726,347</u></u>	<u><u>\$ 6,909,385</u></u>
Cash and cash equivalents	\$ 4,030,937	\$ 3,843,919
Cash - designated	<u>3,695,410</u>	<u>3,065,466</u>
	<u><u>\$ 7,726,347</u></u>	<u><u>\$ 6,909,385</u></u>

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2023

(with comparable totals for 2022)

	<u>2023</u> <u>Totals</u>	<u>2022</u> <u>Totals</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 1,070,603	\$ 59,660
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	44,899	13,103
Lease expense	330,731	-
Change in unrealized (gain) loss on investments	(53,206)	119,977
Change in value of beneficial interest in trust	(4,005)	9,771
Decrease (increase) in:		
Accounts receivable	223,704	(309,842)
Other receivable	(16,205)	13,752
Prepaid expenses	(4,212)	23,292
Increase (decrease) in:		
Accounts payable	9,171	17,484
Accrued compensation	22,722	16,132
Deferred revenues	32,495	(196,979)
Refundable advances	(142,447)	(68,773)
Operating lease obligations	<u>(319,241)</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 1,195,009</u>	<u>\$ (302,423)</u>

Supplemental information of noncash investing and financing activities:

During 2023, the Society incurred debt of \$1,835,170 in the form of an operating lease for the right-of-use of its office space. The Society also incurred debt of \$59,687 in the form of financing leases for the right-of-use of office equipment.

See accompanying notes to financial statements.

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2023

(with comparable totals for 2022)

	Program	Management and General	Fundraising	2023 Totals	2022 Totals
Salaries	\$ 7,786,321	\$ 519,933	\$ 163,608	\$ 8,469,862	\$ 8,107,746
Payroll taxes	573,475	38,361	10,541	622,377	594,871
Employee benefits	1,429,172	56,051	29,342	1,514,565	1,519,362
Total personnel expenses	9,788,968	614,345	203,491	10,606,804	10,221,979
Bank charges	2,735	7,111	16,447	26,293	17,811
Bar functions	2,924	9,269	400	12,593	13,192
Depreciation	30,384	14,515	-	44,899	13,103
Dues and licenses	28,614	5,360	120	34,094	37,027
Equipment rental and maintenance	41,692	4,405	1,094	47,191	114,351
Fundraising event costs	827	573	204,411	205,811	166,436
Insurance	53,443	1,890	490	55,823	53,895
Library	37,065	3,684	304	41,053	34,882
Litigation costs	75,038	1,630	-	76,668	73,367
Miscellaneous expense	5,588	2,228	25	7,841	7,776
Other project expenses	50,193	1,449	250	51,892	47,388
Parking	14,907	492	40	15,439	15,366
Postage and shipping	20,096	992	456	21,544	30,452
Printing	10,391	26	5,769	16,186	20,014
Professional fees	326,346	79,986	2,548	408,880	212,420
Recruiting	-	28,032	-	28,032	28,890
Rent and utilities	644,527	19,643	10,392	674,562	640,755
Specific assistance to individuals	169,695	-	5,089	174,784	769,308
Staff development	4,090	3,842	383	8,315	1,702
Sub-grants	-	-	-	-	23,698
Supplies	93,458	31,701	1,489	126,648	107,646
Telephone and communications	33,427	5,129	356	38,912	36,954
Training and education	15,864	887	54	16,805	31,021
Travel	80,731	495	-	81,226	59,678
Total expenses	<u>\$11,531,003</u>	<u>\$ 837,684</u>	<u>\$ 453,608</u>	<u>\$12,822,295</u>	<u>\$12,779,111</u>

See accompanying notes to financial statements.

For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

Legal Aid Society of Palm Beach County, Inc. (the "Society"), is a Florida not-for-profit corporation organized on November 18, 1970 for the purpose of providing high quality civil legal advice, representation, and education to the disadvantaged of Palm Beach County in order to protect their personal safety, enhance their opportunities and living conditions, and promote self-sufficiency.

Basis of Accounting

The financial statements of the Society have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Support is recognized when received, revenues are recognized when earned, and expenses are recognized when incurred. The significant accounting policies followed by the Society are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Society follows FASB Accounting Standards Codification (FASB ASC) 958-205, *Presentation of Financial Statements*. The standard requires that the Society present information regarding its financial position and activities according to two classes of net assets, described as follows:

Net assets without donor restrictions: this classification includes those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction (except income and gains on assets that are restricted by donors or by law) are included in net assets without donor restrictions.

Net assets with donor restrictions: this classification includes those net assets whose use by the Society has been limited by donors to either later periods of time, or after specified dates, or for a specified purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the restricted amounts are reclassified to net assets without donor restrictions. This classification also includes those net assets that must be maintained by the Society in perpetuity. These are contributions for which donor-imposed restrictions limiting the Society's use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Society meeting certain requirements.

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 disclosure 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 those estimates.

For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

The Society follows FASB ASC 820-10, *Fair Value Measurement and Disclosures*, which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended September 30, 2022, from which the summarized information was derived. Certain 2022 amounts have been reclassified to conform to 2023 classifications. Such reclassifications have no effect on the change in net assets as previously reported.

Cash and Cash Equivalents, Cash - Designated

For purposes of the statement of cash flows, the Society considers designated cash and all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents, except for such cash and short-term instruments that are held within the investment portfolio and classified as investments.

In connection with its Public Guardianship Program (PGP) and its legal practice, the Society maintains designated cash funds that are held in separate accounts for the benefit of wards and clients. These accounts are reported as non-current assets under the caption "cash - designated," and as non-current liabilities under the captions of "trust account" and "public guardianship account."

Investments

Investments of the Society are stated at fair value based on quoted prices on a national stock exchange, with the resulting realized and change in unrealized gains and losses included in the statement of activities. Investments as of September 30, 2023 consist primarily of mutual funds, US Treasuries, and Certificates of Deposit that are presented in the financial statement at fair value, with the resulting realized and change in unrealized gains and losses included in the statement of activities. Investment transactions and related expenses are accounted for on a trade date basis.

For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies, continued

Accounts Receivable

Accounts receivable consist of amounts due to the Society under various federal, state, and local grants, and arising from promises to give from United Way and other agencies. Because the amounts are considered to be fully collectible, there is no provision for doubtful accounts as of September 30, 2023.

Furniture and Equipment

Furniture and equipment is stated at cost, or if donated, at the approximate fair value at the date of the donation. Individual items costing less than \$1,500 are expensed. Expenditures for repairs and maintenance are charged to expense as incurred. Major improvements are capitalized. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years.

Compensated Absences

Full-time employees of the Society accrue vacation at varying rates depending upon the length of service. A maximum of 20 vacation days may be accumulated at any time during the year.

Refundable Advances

The Society has reimbursement arrangements with various grantors whereby the Society receives funds ahead of the expenditures. In accordance with the terms of these arrangements, any funds that are not spent within the contract period must be refunded to the grantors.

Contributions

In accordance with FASB ASC 958-605, *Revenue Recognition*, contributions received, including unconditional promises, are recognized as revenues when the donor's commitment is received. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restriction support that increase the net asset with donor restriction class. When the restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Special events revenue is recognized as revenue at the time of the event. Tickets sold prior to the event are recorded as deferred revenue.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and according to natural classification in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and activities benefited.

Advertising

The Society expenses advertising costs as incurred and includes such expenses in the public relations category in the statement of functional expenses.

For the Year Ended September 30, 2023

1. Summary of Significant Accounting Policies, continued

Income taxes

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Society’s tax-exempt purpose would be subject to taxation as unrelated business income. There were no such unrelated activities for the year ended September 30, 2023.

The Society follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold. The Society assesses its income tax positions based on management’s evaluation of the facts, circumstances and information available at the reporting date. The Society uses the prescribed more likely than not threshold when making its assessment. For the year ended September 30, 2023, the Society did not accrue any interest expense or penalties related to its tax positions. Furthermore, there are currently no open Federal or State tax years under audit.

Recently Adopted Accounting Pronouncements

As of October 1, 2022, the Society adopted the provisions of FASB ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaced existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. Under the new guidance, leases with terms of more than 12 months are required to be recognized in the statement of financial position as liabilities, with a corresponding “right-of-use” asset.

The Society also elected to adopt ASU No. 2018-11, *Leases (Topic 842) – Targeted Improvements*. ASU 2018-11 amends ASC 842 so that entities may elect not to recast their comparative periods in transition. The ASU allows entities to change their date of initial application to the beginning of the period of adoption. In doing so, entities would apply Accounting Standards Codification – *Leases (Topic 842)* in the comparative periods and provide disclosures required by ASC 840 for periods that continue to be presented in accordance with ASC 840.

2. Liquidity and Availability of Resources

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

Cash and cash equivalents	\$ 4,030,937
Investments	1,543,759
Accounts receivable	1,519,721
Other receivable	<u>16,957</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 7,111,374</u>

For the Year Ended September 30, 2023

2. Liquidity and Availability of Resources, continued

The Society is substantially supported by grants and by contributions without donor and with donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Society must maintain sufficient resources to meet those responsibilities to its donors. Some of the Society's net assets with donor restrictions are available for general expenditure within one year of September 30, 2023 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Society in the coming year.

Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. Furthermore, the Society has a \$350,000 line of credit of which management may draw upon in the event of unanticipated financial distress or an immediate liquidity need (see Note 9). The Society forecasts its future cash flows and monitors liquidity on a monthly basis.

3. Fair Value Measurements

FASB ASC 820-10 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 measurement). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

- Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.
- Level 2* – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's 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.

Fair Value of Financial Instruments: The following methods and assumptions were used by the Society in estimating fair value of financial instruments that are not disclosed under ASC 820.

Cash, Cash Equivalents, and Cash - Designated: The carrying amount reported approximates fair value.

Accounts and Other Receivable: The carrying amount approximates fair value due to the relative size, timing, and amounts to be collected.

Accounts Payable and Accrued Compensation: The carrying amount reported approximates fair value due to the short-term duration of the instruments.

For the Year Ended September 30, 2023

3. Fair Value Measurements, continued

Lease Obligations: The carrying amounts reported approximate fair value as the stated interest rates approximate market rates.

Items Measured at Fair Value on a Recurring Basis: The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2023.

Investments: Valued according to the market quotation provided by the custodian as of the close of business as of September 30, 2023.

Beneficial Interest in Trust: Valued by the 3rd party custodian at the current fair value of underlying investment assets in the account, which provides a perpetual stream of income to the Society.

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of September 30, 2023:

	<u>Assets at Fair Value</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments	\$1,543,759	\$ -	\$ -	\$1,543,759
Beneficial interest in trust	-	-	68,302	68,302
Total	<u>\$1,543,759</u>	<u>\$ -</u>	<u>\$ 68,302</u>	<u>\$1,612,061</u>

The table below sets forth a summary of changes in the fair value of the beneficial interest in trust for the year ended September 30, 2023.

Balance, beginning of year	\$ 64,297
Issuances/contributions	-
Settlements/collections	-
Change in value	4,005
Balance, end of year	<u>\$ 68,302</u>

4. Accounts Receivable

Accounts receivable consisted of the following as of September 30, 2023:

Federal and state grants	\$ 1,052,766
Local government grants	405,497
Other grants	12,708
United Way Allocation	48,750
	<u>\$ 1,519,721</u>

5. Prepaid Expenses

Prepaid expenses consisted of prepaid insurance, software licenses, IT services, and future events as of September 30, 2023:

For the Year Ended September 30, 2023

6. Investments

Investments in mutual funds, US Treasuries, and certificates of deposit are presented in the financial statement at fair value, with the resulting realized and change in unrealized gains and losses included in the statement of activities. Investment transactions and related expenses are accounted for on a trade date basis. Investments consist of the following as of September 30, 2023:

Money market funds	\$ 34,491
US Treasury notes	700,692
Certificate of deposit	234,951
Fixed income mutual funds	283,985
Common stock mutual funds	<u>289,640</u>
Total investments at fair market value	1,543,759
Total investments at cost	<u>1,319,976</u>
Unrealized gains	223,783
Less beginning balance of unrealized gains	<u>170,577</u>
Total change in unrealized gain	<u><u>\$ 53,206</u></u>

7. Furniture and Equipment

Furniture and equipment consisted of the following as of September 30, 2023:

Furniture and fixtures	\$ 105,994
Computer equipment	140,508
Software	81,982
Other assets	<u>276,702</u>
	605,186
Less accumulated depreciation	<u>559,892</u>
Furniture and equipment, net	<u><u>\$ 45,294</u></u>

Depreciation expense for the year ended September 30, 2023, was \$14,731.

8. Beneficial Interest in Trust

The Society is the income beneficiary of a perpetual trust, whose assets are held by the Community Foundation for Palm Beach and Martin Counties, Inc. (the "Foundation") as an endowed component fund ("Fund"). Under the terms of the Fund, the Foundation's Board of Directors has a variance power to modify any restriction or condition on the distribution of funds for any specific charitable purpose or to specified organizations, if in their sole judgment (without the approval of any trustee, custodian, or agent), such restriction or conditions becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or the area served by the Foundation. The Fund is subject to the Foundation's investment and spending policies. During the year ended September 30, 2023, the Society did not receive any distributions from the Fund.

For the Year Ended September 30, 2023

9. Line of Credit

The Society has a \$350,000 line of credit with interest at the bank's prime rate (8.50% as of September 30, 2023), that is secured by accounts receivable and other business assets. No amount was outstanding as of September 30, 2023.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2023 consisted of the following:

Subject to the passage of time:	
Town of Palm Beach United Way Allocation	\$ 48,750
Beneficial interest in trust	<u>18,302</u>
Total time restrictions	67,052
Perpetual in nature:	
Beneficial interest in trust	<u>50,000</u>
Total net assets with donor restrictions	<u>\$ 117,052</u>

11. Government Grants

Government grants consist of \$3,013,509 from various federal government agencies, \$1,022,029 from state government agencies, and \$6,462,928 from local government agencies.

Grants from local government agencies include \$4,952,336 from Children's Services Council, \$1,454,317 from Palm Beach County, and \$56,275 from other local government agencies.

Children's Services Council funds the following programs:

Non-profit legal assistance project	\$ 64,000
Children's Advocacy Project	4,542,469
Project DULCE	340,359
Other	<u>5,508</u>
	<u>\$ 4,952,336</u>

Palm Beach County funds the following projects:

Domestic violence	\$ 113,641
Guardian advocacy	92,245
Guardianship program	152,542
Wage dispute project	144,275
Community ID program	50,000
Other legal assistance	<u>901,614</u>
	<u>\$ 1,454,317</u>

For the Year Ended September 30, 2023

12. Foundation Grants

Foundation grants received during the year amounted to \$1,033,893, of which approximately \$507,000 was from the Florida Bar Foundation.

13. Other Grants

Other grants received during the year amounted to \$384,047, of which approximately \$233,500 was awarded from Town of Palm Beach United Way and United Way of Palm Beach County.

14. Leases

Operating Lease

The Society leases its office space in West Palm Beach, Florida under a non-cancelable lease agreement that expires in February 2026. The lease requires minimum rental payments of \$54,174 per month, with annual increases of 3%.

Operating right-of-use asset as of September 30, 2023, consisted of the following:

Office space	\$ 1,835,170
Less accumulated amortization	<u>330,731</u>
Net operating right-of-use asset	<u>\$ 1,504,439</u>

Operating lease obligations as of September 30, 2023, consisted of the following:

Office space	\$ 1,515,929
Less current portion	<u>586,633</u>
Non-current portion	<u>\$ 929,296</u>

Undiscounted future lease payments under operating lease as of September 30, 2023, for each of the next three years are:

2024	\$ 661,467
2025	681,311
2026	<u>287,367</u>
	1,630,145
Less discount to present value	<u>114,216</u>
Present value of future lease payments	1,515,929
Less current portion	<u>586,633</u>
Non-current portion	<u>\$ 929,296</u>

The discount has been calculated using an interest rate of 6.25%, which approximates the incremental borrowing rate of the Society for the acquisition of the related asset at the time the lease was recorded.

For the Year Ended September 30, 2023

14. Leases, continued

Operating Lease, continued

Operating lease expense for the year ended September 30, 2023, consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Office space	<u>\$ 330,731</u>	<u>\$ 59,979</u>	<u>\$ 390,710</u>

Total lease expense was \$674,562 during the year ended September 30, 2023, and is included in the rent and utilities category in the statement of functional expenses. The difference between total rent and utilities expense and operating lease expense above of \$390,710 is \$283,852, which consists of rent payments under expired lease agreements that are not included as right-of-use leases, and payments for a storage facility that do not have long-term lease agreements.

Financing Lease

The Society leases certain office equipment under financing lease agreements that expire on various dates through June 2027. The assets and liabilities under these financing leases were recorded at the lower of the present value of minimum lease payments or the fair value of the assets. The assets are amortized over the lower of their lease term or their estimated useful lives. Amortization of equipment under financing leases are included in depreciation expense in the accompanying financial statements. Depreciation of assets under financing leases charged to expense during the year ended September 30, 2023, was \$30,168.

Minimum future lease payments under financing leases as of September 30, 2023, for each of the next three years and in the aggregate are:

2024	\$ 24,056
2025	6,415
2026	709
2027	<u>532</u>
Total future lease payments	31,712
Less amount representing interest	<u>1,217</u>
Total obligation under financing lease	30,435
Less current portion	<u>23,063</u>
Long-term portion	<u>\$ 7,372</u>

The lease discount for the office equipment has been calculated using an interest rate of 6.25%, which approximates the incremental borrowing rate of the Society at the time the leases were measured. The weighted average lease term for the financing leases is 1.4 years.

For the Year Ended September 30, 2023

15. Concentration of Credit Risk

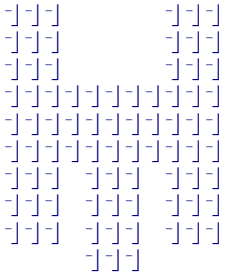
The Society maintains cash deposits at different banks, which the Society periodically evaluates and believes to be in sound financial condition. Deposits located at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. As of September 30, 2023, the uninsured portion of deposits aggregated to approximately \$3,600,000. The Society has not experienced any loss on such accounts and management believes it is not exposed to any significant credit risk arising from such balances.

16. Retirement Plan

The Society maintains a 401(k) profit sharing plan for all eligible employees, as more fully described in the plan documents. The Society makes match contributions in an amount equal to 100% of the participant's elective contribution not in excess of 3% of the participant's compensation for the plan year (increased from 2% effective January 1, 2023). The Society also has the option to make discretionary contributions to the plan. The Society's contribution to the plan for the year ended September 30, 2023 was \$130,662, and is included in employee benefits expense in the statement of functional expenses.

17. Subsequent Events

The Society's management has evaluated subsequent events through March 26, 2024, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



Holyfield & Thomas, LLC

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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 of
Legal Aid Society of Palm Beach County, Inc.
West Palm Beach, Florida

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 Legal Aid Society of Palm Beach County, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Legal Aid Society of Palm Beach County, 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 Legal Aid Society of Palm Beach County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Legal Aid Society of Palm Beach County, 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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

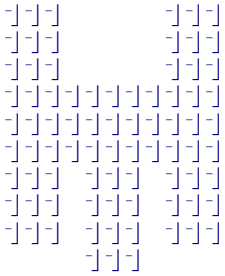
As part of obtaining reasonable assurance about whether Legal Aid Society of Palm Beach County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which 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 instance 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 Legal Aid Society of Palm Beach County, 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 Legal Aid Society of Palm Beach County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
March 26, 2024



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.650, RULES OF AUDITOR GENERAL

To the Board of Directors of
Legal Aid Society of Palm Beach County, Inc.
West Palm Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program

We have audited Legal Aid Society of Palm Beach County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and in the Florida Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of Legal Aid Society of Palm Beach County, Inc.'s major federal programs and major state projects for the year ended September 30, 2023. Legal Aid Society of Palm Beach County, Inc.'s major federal programs and major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Legal Aid Society of Palm Beach County, 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 and major state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and Major State Project

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; 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); and the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General). Our responsibilities under those standards, the Uniform Guidance, and the Rules of the Auditor General, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Legal Aid Society of Palm Beach County, 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 and major state project. Our audit does not provide a legal determination of Legal Aid Society of Palm Beach County, 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 Legal Aid Society of Palm Beach County, Inc.'s federal programs and state projects.

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 Legal Aid Society of Palm Beach County, 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*, the Uniform Guidance, and the Rules of the Auditor General, 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 Legal Aid Society of Palm Beach County, Inc.'s compliance with the requirements of each major federal program and major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Rules of the Auditor General, 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 Legal Aid Society of Palm Beach County, 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 Legal Aid Society of Palm Beach County, 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, and the Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of Legal Aid Society of Palm Beach County, 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 or state project 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 or state project 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 or state project 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, and the Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
March 26, 2024

For the Year Ended September 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Major programs:	
Assistance Listing Number (ALN)	16.575
Name of federal program or cluster:	U.S. Department of Justice – Crime Victim Assistance
Assistance Listing Number (ALN)	93.914
Name of federal program or cluster:	U.S. Department of Health and Human Services – HIV Emergency Relief Project

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	No

For the Year Ended September 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS, continued

State Financial Assistance

Internal control over major projects:

Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported

Type of auditor’s report issued on compliance on major projects:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Chapter 10.650, <i>Rules of the Auditor General</i> ?	No
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Major projects:

CSFA Number	65.003
Name of state project:	Florida Department of Elder Affairs – Statewide Public Guardianship Program

Dollar threshold used to distinguish between type A and type B projects:	\$ 300,000
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SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings reported for the year ended September 30, 2023, relative to financial reporting for Legal Aid Society of Palm Beach County, Inc.

SECTION III – FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended September 30, 2023, relative to federal awards and state financial assistance for Legal Aid Society of Palm Beach County, Inc.

SECTION IV – PRIOR YEAR FINDINGS

<i>Finding</i>	<i>2022-01: Revenue/Receivable Reconciliation</i>
<i>Summary</i>	Grant revenues were not reconciled with the grant agreements, and grant receivables were not reviewed to ensure collection or correction. As a result, grant revenues recorded in the books exceeded the amount allowed under the grant agreements. These amounts remained as outstanding receivables.
<i>Status</i>	Corrective action has been taken and this matter has been fully resolved.

SUPPLEMENTARY INFORMATION

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

For the Year Ended September 30, 2023

Federal Grantor Pass-through Entity Federal Program Title	Period	Assistance Listing Number	Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Fair Housing Initiative Program	04/01/22 - 03/31/23	14.418	FPEI20046	\$ 190,000
Fair Housing Initiative Program	04/01/23 - 03/31/24	14.418	FPEI20046	230,023
Fair Housing Initiative Program	06/01/22 - 05/31/23	14.418	FPE212055	130,922
Fair Housing Initiative Program	06/01/22 - 05/31/23	14.416	FEOI210068	<u>93,750</u>
				644,695
Passed through from Palm Beach County, Florida:				
Community Development Block Grants	10/01/22 - 09/30/23	14.218	R2022-0922	56,192
Emergency Solutions Grant Program	01/01/22 - 09/30/25	14.231	R2021-1906	158,881
Passed through from City of Boynton Beach, Florida:				
Community Development Block Grants	10/01/22 - 09/30/23	14.218	FY2022-2023CDBG	3,950
Passed through from City of Delray, Florida:				
Community Development Block Grants	10/01/22 - 09/30/23	14.218	FY2022-2023CDBG	3,150
Passed through from City of Jacksonville, Florida:				
Eviction Protection Grant Program:				
Florida Legal Aid Eviction Protection Proj	02/01/23 - 01/31/24	14.537	EP-21-FL-001	<u>105,286</u>
Total U.S. Department of Housing and Urban Development				<u>972,154</u>
U.S. Department of Justice:				
Passed through from Florida Office of the Attorney General:				
Crime Victim Assistance	10/01/22 - 09/30/23	16.575	VOCA-2022-Legal Aid Society of Palm-00323	848,800
Passed through from Office for Victims of Crime, Equal Justice Works:				
Crime Victim Assistance/Discretionary	06/15/20 - 08/31/22	16.582	2020-OVC-EJP-009	<u>8,004</u>
Total U.S. Department of Justice				<u>856,804</u>

(continued on next page)

*See independent auditor's report and accompanying notes to
Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

For the Year Ended September 30, 2023

Federal Grantor Pass-through Entity Federal Program Title	Period	Assistance Listing Number	Award Number	Federal Expenditures
<i>(continued from previous page)</i>				
U.S. Department of Treasury:				
Low Income Taxpayer Clinics	01/01/22 - 12/31/22	21.008	21-LITC0457-03-00	\$ 22,500
Low Income Taxpayer Clinics	01/01/23 - 12/31/23	21.008	23-LITC0636-01-01	<u>83,382</u>
				105,882
Passed through from City of Lake Worth, Florida:				
American Rescue Plan Act of 2021	10/01/21 - 09/30/23	21.027	Y5177	<u>4,550</u>
Total U.S. Department of Treasury				<u>110,432</u>
U.S. Department of Veterans Affairs				
Legal Services for Veterans Grants	08/01/23 - 07/31/24	64.056	FL-994-LSV-103-22	<u>19,505</u>
Total U.S. Department of Veterans Affairs				<u>19,505</u>
U.S. Department of Health and Human Services:				
Older Americans Act, Title III B and	01/01/22 - 12/31/22	93.044/.052	IA 021-9001 003	44,495
Title III E - Support Services	01/01/22 - 09/30/23	93.044/.052	IRP22-9001	150,263
	01/01/23 - 12/31/23	93.044/.052	IA 023-9001 002	472,781
	07/01/23 - 06/30/23	93.044/.052	ICA 020-9001	<u>3,656</u>
				671,195
Passed through from Palm Beach County, Florida:				
HIV Emergency Relief Project	03/01/21 - 02/28/24	93.914	R2021-0308	<u>383,419</u>
Total U.S. Department of Health and Human Services				<u>1,054,614</u>
Total expenditures of federal awards				<u>\$ 3,013,509</u>

*See independent auditor's report and accompanying notes to
Schedule of Expenditures of Federal Awards and State Financial Assistance.*

**LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.**

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

For the Year Ended September 30, 2023

State Grantor Pass-through Entity State Project Title	Period	CSFA Number	Award Number	State Expenditures
Florida Department of Elder Affairs:				
Statewide Public Guardianship Program	07/01/21 - 06/30/24	65.003	X9141	<u>\$ 1,022,029</u>
Total expenditures of state awards				<u><u>\$ 1,022,029</u></u>

*See independent auditor's report and accompanying notes to
Schedule of Expenditures of Federal Awards and State Financial Assistance.*

For the Year Ended September 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state award activity of Legal Aid Society of Palm Beach County, Inc. for the year ended September 30, 2023. 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) and the audit requirements of Chapter 10.650, *Rules of the Auditor General* (Rules of the Auditor General). Because the Schedule presents only a selected portion of the operations of Legal Aid Society of Palm Beach County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Legal Aid Society of Palm Beach County, Inc.

2. Basis of Accounting

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

3. Scope of Audit Pursuant to Uniform Guidance and Rules of the Auditor General

All federal and state awards of Legal Aid Society of Palm Beach County, Inc. are included in the scope of the Uniform Guidance and Rules of the Auditor General.

Programs tested as major federal programs included awards from the U.S. Department of Justice with fiscal year 2023 expenditures totaling \$1,232,219. Programs tested ensure coverage of at least 40 percent of federally granted funds.

The project tested as major state project included awards from the Florida Department Elder Affairs with fiscal year 2023 expenditures totaling \$1,022,029.

4. Contingencies

Grant monies received and disbursed by Legal Aid Society of Palm Beach County, Inc. are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, Legal Aid Society of Palm Beach County, Inc. does not believe that such disallowance, if any, would have a material effect on the financial position of Legal Aid Society of Palm Beach County, Inc. As of September 30, 2023, there were no material questioned or disallowed costs as a result of grant audits in process or completed.

See independent auditor's report.

LEGAL AID SOCIETY OF
PALM BEACH COUNTY, INC.

SCHEDULE OF ACTIVITIES
PUBLIC GUARDIANSHIP
PROGRAM – STATE FUND

For the Two-Years Ended September 30, 2023

Revenues:

Governmental grants	\$ 2,044,058
General operating funds	<u>-</u>
Total support and revenues	<u>2,044,058</u>

Expenses:

Salaries and related benefits	1,548,203
Administrative and finance	162,849
Rent and utilities	91,446
Professional fees	30,098
Other	16,702
Supplies	14,830
Travel	12,257
Dues and licenses	10,100
Equipment rental and maintenance	7,512
Telephone and communications	6,580
Insurance	<u>5,311</u>
Total expenses	<u>1,905,888</u>

Change in net assets 138,170

Net assets, beginning of year -

Net assets, end of year \$ 138,170

See independent auditor's report.