

LEGAL ASSISTANCE TO THE ELDERLY, INC.
(A California Non-Profit Public Benefit Corporation)

AUDITED FINANCIAL STATEMENTS

For The Years Ended June 30, 2022 and 2021

**LEGAL ASSISTANCE TO THE ELDERLY, INC.
FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Legal Assistance to the Elderly, Inc.
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Legal Assistance to the Elderly, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Legal Assistance to the Elderly, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Legal Assistance to the Elderly, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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 Legal Assistance to the Elderly, 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

My 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 my 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*, I:

- 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 Legal Assistance to the Elderly, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Legal Assistance to the Elderly, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated January 12, 2023 on my consideration of the Legal Assistance to the Elderly, Inc.'s internal control over financial reporting and on my 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 my 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 the Legal Assistance to the Elderly, 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 the Legal Assistance to the Elderly, Inc.'s internal control over financial reporting and compliance.

Allan Liu

Certified Public Accountant
Millbrae, California
January 12, 2023

Legal Assistance to the Elderly, Inc.
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash	\$ 654,284	\$ 349,528
Cash restricted to IOLTA	701,566	406,813
Grants receivable	590,498	529,351
Prepaid expenses	30,936	25,287
Total current assets	1,977,284	1,310,979
Furniture and equipment, net	-	-
Deposits	17,982	17,982
TOTAL ASSETS	1,995,266	1,328,961
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 808,286	\$ 524,837
Accrued compensation	78,540	66,113
Line of credit	-	25,000
TOTAL LIABILITIES	886,826	615,950
NET ASSETS		
Without donor restrictions	1,000,438	664,631
With donor restrictions	108,002	48,380
TOTAL NET ASSETS	1,108,440	713,011
TOTAL LIABILITIES AND NET ASSETS	\$ 1,995,266	\$ 1,328,961

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

Legal Assistance to the Elderly, Inc.
Statements of Activities
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE						
Grants	\$ 3,192,697	\$ 114,847	\$ 3,307,544	\$ 2,939,591	\$ -	\$ 2,939,591
Program income	-	-	-	0	-	0
Contributions	48,001	-	48,001	21,723	-	21,723
Legal fee income	175,521	-	175,521	37,011	-	37,011
Fundraising	-	-	-	-	-	0
Net assets released from restriction	55,225	(55,225)	-	33,270	(33,270)	-
Total Support and Revenue	3,471,444	59,622	3,531,066	3,031,595	(33,270)	2,998,325
EXPENSES						
Program	2,689,955	-	2,689,955	2,525,449	-	2,525,449
Management and general	395,934	-	395,934	273,686	-	273,686
Fund raising	49,747	-	49,747	28,096	-	28,096
Total Expenses	3,135,637	-	3,135,637	2,827,231	-	2,827,231
Change in Net Assets	335,807	59,622	395,429	204,364	(33,270)	171,094
Net Assets - Beginning	664,631	48,380	713,011	460,267	81,650	541,917
Net Assets - Ending	\$ 1,000,438	\$ 108,002	\$ 1,108,440	\$ 664,631	\$ 48,380	\$ 713,011

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

Legal Assistance to the Elderly, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Legal Services for Seniors	Legal Services for Disabled Adults	Health Related Law	Eviction Defense	Excelsior Legal Collaborative	Total Program Services	Management & General	Fund Raising	2022 Total
Salaries and wages	\$ 529,790	\$ 38,433	\$ 92,406	\$ 712,379	\$ 205,782	\$ 1,578,789	\$ 178,583	\$ 28,188	\$ 1,785,559
Employee benefits	83,216	6,037	14,514	111,895	32,323	247,985	28,051	4,427	280,463
Workers compensation insurance	2,157	156	376	2,900	838	6,427	727	115	7,269
Payroll taxes	41,777	3,031	7,287	56,175	16,227	124,497	14,082	2,223	140,802
Accounting services and audit	-	-	-	-	-	-	38,600	-	38,600
Human resource services	-	-	-	-	-	-	7,500	-	7,500
Recruitment expenses	400	-	-	8,635	-	9,035	-	-	9,035
Consultant	-	-	-	-	-	-	6,148	9,375	15,523
Equipment rental	966	60	129	1,158	489	2,802	235	-	3,037
Staff travel and transportation	259	-	-	1,073	558	1,890	3,694	-	5,584
Meeting support	-	-	-	-	-	-	3,813	-	3,813
Legal Research Resources	8,688	344	644	12,263	2,842	24,780	241	-	25,021
Litigation and client costs	25,828	-	-	42,035	5,951	73,814	1,522	-	75,336
Insurance	8,334	696	1,063	12,143	3,063	25,300	4,317	-	29,617
Dues and fees	3,148	197	399	2,711	799	7,254	2,659	-	9,913
Office set up	-	-	-	25,430	-	25,430	-	-	25,430
Utilities	3,074	207	416	4,447	1,243	9,387	905	-	10,292
Office expense	-	-	-	-	-	-	23,097	1,420	24,518
Occupancy expenses	63,090	4,072	8,489	79,693	24,137	179,481	21,191	-	200,671
Staff training & conferences	2,420	100	-	17,713	1,042	21,274	21,750	-	43,024
Database support	581	62	83	5,649	237	6,613	28,000	4,000	38,613
Information Technology support	2,634	89	168	7,368	1,730	11,989	3,823	-	15,812
Cloud-based services	4,942	375	657	7,267	1,929	15,171	1,888	-	17,058
Postage & delivery	748	72	100	1,002	259	2,181	283	-	2,463
Office supplies	5,235	692	950	34,413	2,826	44,116	4,274	-	48,390
Subcontractor	34,980	-	-	9,000	227,048	\$ 271,028	-	-	271,028
Total Expenses	\$ 822,535	\$ 54,637	\$ 127,716	\$ 1,155,635	\$ 529,433	\$ 2,689,955	\$ 395,934	\$ 49,747	\$ 3,135,637

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

Legal Assistance to the Elderly, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	Legal Services for Seniors	Legal Services for Disabled Adults	Health Related Law	Eviction Defense	Excelsior Legal Collaborative	Total Program Services	Management & General	Fund Raising	2021 Total
Salaries & wages	\$ 523,341	\$ 38,947	\$ 87,064	\$ 643,378	\$ 204,207	\$ 1,496,937	\$ 140,123	\$ 17,962	\$ 1,655,022
Employee benefits	82,133	6,152	12,771	96,121	30,459	227,636	20,076	2,808	250,520
Workers compensation insurance	2,250	169	350	2,633	834	6,236	550	77	6,863
Payroll taxes	43,400	3,251	6,748	50,792	16,095	120,286	10,609	1,484	132,379
State Bar Dues	2,795		399	2,006	399	5,599			5,599
Accounting services and audit						-	33,000		33,000
Client & litigation costs	2,055			29,723	3,259	35,037			35,037
Supplies	7,094	418	543	14,264	3,428	25,747	3,490		29,237
Telephone	3,108	189	458	4,091	1,892	9,738	221		9,959
Occupancy expenses	67,460	4,073	9,453	79,352	23,807	184,145	10,961		195,106
Equipment, maint. repairs & rentals	1,318	80	189	1,557	568	3,712	401		4,113
Printing & duplication						-			-
Training & travel	165			8,529	696	9,390	3,422		12,812
Library	6,530	28	64	2,882	367	9,871	70		9,941
Insurance	8,075	496	1,219	10,273	4,593	24,656	2,221		26,877
Retirement plan fee						-	1,672		1,672
Office & other expenses						-	941		941
Postage & delivery	1,100	62	149	1,831	804	3,946	285		4,231
Memberships	699	36	50	672	325	1,782	233		2,015
Volunteer expenses	320	19	47	403	130	919	157		1,076
Subcontract & consultant	30,961	3,335	94	9,469	257,855	301,714	40,458		342,172
Recruitment expense	1,127			3,008		4,135			4,135
Technology expense	16,344	721	696	30,896	5,306	53,963	4,796	360	59,119
Fundraising expense						\$ -		5,405	5,405
Total Expenses	\$ 800,275	\$ 57,976	\$ 120,294	\$ 991,880	\$ 555,024	\$ 2,525,449	\$ 273,686	\$ 28,096	\$ 2,827,231

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

Legal Assistance to the Elderly, Inc.
Statements of Cash Flows
Years Ended June 30, 2022
and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ \$395,429	\$ 171,094
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
Decrease (increase) in receivables	(61,147)	99,681
Decrease (increase) in prepaids	(5,649)	(12,438)
Decrease (increase) in deposits	-	-
Increase (decrease) in accrued compensation	12,427	11,991
Increase (decrease) in accounts payable	283,449	32,515
Increase (decrease) in deferred revenue	-	0
Net cash provided (used) by operating activities	624,509	302,843
Cash flows from financing activities		
Line of credit	(25,000)	25,000
EIDL & PPP Loan	-	(211,785)
Net cash provided (used) by financing activities	(25,000)	(186,785)
Net increase (decrease) in cash and cash equivalents	599,509	116,058
Cash and cash equivalents - beginning of year	756,341	640,283
Cash and cash equivalents - end of year	\$ \$1,355,850	\$ \$756,341

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

Legal Assistance to the Elderly, Inc.
Notes To Financial Statements
June 30, 2022 and 2021

Note 1-Organization and Summary of Significant Accounting Policies

Organization

Legal Assistance to the Elderly, Inc. (the Organization) was incorporated in California as a nonprofit public benefit corporation in 1979. The Organization provides free legal seniors and adults with disabilities in San Francisco. Its mission is to protect and advance the right of San Francisco's seniors and adults with disabilities to be housed, healthy, financially stable, and safe. It has provided free legal advice and representation in civil matters to protect seniors' independence and dignity for more than 40 years. LAE serves over 1,700 clients per year. Its primary practice areas include: Housing Law/Eviction Defense, Financial and Physical Elder Abuse Prevention, Health Care Protection, Benefits Advocacy, Consumer Protection and Debt Defense, Foreclosure Prevention and End of Life Planning.

Financial Statement Presentation

In accordance with U.S. Generally Accepted Accounting, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

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

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

In addition, Legal Assistance to the Elderly, Inc. is required to present a statement of cash flows.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains cash balances at financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Receivables

No allowance for doubtful accounts is made since management believes that all receivables are collectible.

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements
June 30, 2022 and 2021

Note 1-Organization and Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair Value Measurements Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the assets or liability. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization's own data. The Organization had no assets or liabilities recorded at fair value on June 30, 2022.

Donated Services, Facilities and Assets

The Organization receives services donated by citizens that are not accounted for as contributions Donated Services, Facilities and Assets or expense because they do not meet all of the accounting requirements of requiring specialized skills, provided by individuals possessing those skills, which would be purchased by the organization if not donated.

Functional Allocation of Expenses

The organization distributed expenses directly to related programs or supporting services. Expenses that are applicable to several programs and supporting services are allocated among the programs based upon time reports and management estimates.

Income Tax Status

No provision for income tax has been included in the financial statements as the organization has been qualified as tax-exempt under IRS Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). Management believes that operations of the organization have been in accordance with its tax-exempt purposes and that there is no unrelated business income. The three most recent years are open to examination.

Support and Revenues

The Organization relies on grants from governmental units, public and private foundations and contributions from individuals and corporations

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2022 and 2021

Note 1-Organization and Summary of Significant Accounting Policies (Continued)

Revenue Recognition – All contributions are considered available unless specifically restricted by the donor. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at their fair market value at the date of the donation. The cost of maintenance and repairs is charged to income as incurred: significant renewals and betterments are capitalized. The Organization capitalizes all expenditures for property and equipment in excess of \$2,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 10 years. The cost of furniture and equipment as of June 30, 2022 and 2021 was \$106,388. The cost of leasehold improvements was \$3,900 and was fully depreciated as of June 30, 2022. Accumulated depreciation as of June 30, 2022 and 2021 was \$110,288.

Recent Accounting Guidance

In June 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The change in accounting principle was adopted on a retrospective prospective basis on July 1, 2018. There was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2020.

In February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2022 and 2021

Note 2- Leases

Legal Assistance to the Elderly, Inc. has entered an office space lease agreement located at 1663 Mission Street San Francisco. The term starts on September 1, 2019 and is for ten years, with monthly payments ranging from \$ 15,025 to \$34,630 over those ten years, with the lease ending August 31, 2029.

Note 3- Contingencies and the Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and the differences could have a material impact on the financial statements. The Organization depends on government grants and revenues which are subject to inspection and audit by the various funding sources to determine whether the program funds were in accordance with their requirements. The potential exists for disallowance of previously funded amounts. Management believes that the Organization has complied with the terms of each funding source. Accordingly, no provision for disallowance or refund has been recorded. The compensation of certain employees is determined in accordance with a collective bargaining agreement.

Note 4- Liquidity and Availability

As part of Legal Assistance for the Elderly, Inc.'s liquidity management, its goal is to main cash and short-term investments on hand to meet 90 days of normal operating expense, which on average is \$780,000. In addition, any cash in excess of the daily requirements is invested in short-term investments and money market funds.

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

Cash and cash equivalents	\$1,355,849
Grants receivable	<u>590,498</u>
Financial assets available at June 30, 2022:	<u>\$1,946,347</u>

Less those unavailable for general expenditures within one year due to:

Contractual or donor-imposed restrictions:

Restricted by donor with time or purpose restrictions	<u>(108,002)</u>
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Financial assets available to meet cash need for general expenditures within one year	<u>\$1,838,345</u>
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Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2022 and 2021

Note 5- Line of Credit

Legal Assistance to the Elderly, Inc has a line of credit with Wells Fargo Bank and on June 30, 2022, the outstanding balance was \$0. The bank charges an annual interest rate is 10%.

Note 6- Net Asset with donor restriction

With donor restrictions were as follows:

<u>Restriction</u>	<u>6/30/2021</u>	<u>Additions</u>	<u>Releases</u>	<u>6/30/2022</u>
Cypress	\$ 13,413	\$ 0	\$ 0	\$ 13,413
LSTF/HP	28,142	0	28,142	0
HP 21-23	0	16,667	4,130	12,537
HP3 22-24	0	50,000	0	50,000
IOLTA	0	18,260	7,343	10,917
EAF	<u>6,825</u>	<u>29,920</u>	<u>(15,610)</u>	<u>21,135</u>
Total	<u>\$ 48,380</u>	<u>\$ 114,847</u>	<u>\$ (55,225)</u>	<u>\$ 108,002</u>

Note 7- Subsequent Events

Management has evaluated subsequent events through January 12, 2023, the date which the financial statements were available to be issued and determined that there were no reportable events.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Legal Assistance to the Elderly, Inc.
San Francisco, California

I 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 Assistance to the Elderly, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated January 12, 2023.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Legal Assistance to the Elderly, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Legal Assistance to the Elderly, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization'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.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Legal Assistance to the Elderly, Inc.'s financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Allan Liu

Certified Public Accountant

January 12, 2023

**Legal Assistance To The Elderly, Inc.
Schedule of findings and questioned costs
June 30, 2022 and 2021**

Findings and questioned costs:

Prior year audit findings and recommendation

None.

Current year audit findings and recommendation

None.