

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

AUDITED FINANCIAL STATEMENTS

For The Years Ended June 30, 2023 and 2022

**LEGAL ASSISTANCE TO THE ELDERLY, INC.
FINANCIAL STATEMENTS
JUNE 30, 2023 and 2022**

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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, 2023 and 2022, 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, 2023 and 2022, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated January 12, 2024 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, 2024

Legal Assistance to the Elderly, Inc.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash	\$ 686,848	\$ 654,284
Cash restricted to IOLTA	1,265,506	701,566
Grants receivable	1,080,247	590,498
Prepaid expenses	47,557	30,936
Total current assets	3,080,158	1,977,284
Non Current Assets		
Furniture and equipment, net	-	-
Deposits	17,982	17,982
Right-of-use asset	1,128,932	-
TOTAL ASSETS	\$ 4,227,072	\$ 1,995,266
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 1,392,648	\$ 808,286
Accrued compensation	105,598	78,540
Lease liability	183,802	-
Total current liabilities	1,682,048	886,826
Long-term Liabilities		
Lease liability	945,130	-
Long-term Liabilities	945,130	-
TOTAL LIABILITIES	2,627,178	886,826
NET ASSETS		
Without donor restrictions	1,194,064	1,000,438
With donor restrictions	405,830	108,002
TOTAL NET ASSETS	1,599,894	1,108,440
TOTAL LIABILITIES AND NET ASSETS	\$ 4,227,072	\$ 1,995,266

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

Legal Assistance to the Elderly, Inc.
Statements of Activities
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE						
Grants	\$ 3,643,402	\$ 782,414	\$ 4,425,816	\$ 3,192,697	\$ 114,847	\$ 3,307,544
Contributions	224,280	-	224,280	48,001	-	48,001
Legal fee income	34,356	-	34,356	175,521	-	175,521
Other Income	14,060	-	14,060	-	-	-
Fundraising	10,000	-	10,000	-	-	-
Net assets released from restriction	484,586	(484,586)	-	55,225	(55,225)	-
Total Support and Revenue	4,410,684	297,828	4,708,512	3,471,444	59,622	3,531,066
EXPENSES						
Program	3,599,849	-	3,599,849	2,689,955	-	2,689,955
Management and general	552,498	-	552,498	395,934	-	395,934
Fund raising	64,712	-	64,712	49,747	-	49,747
Total Expenses	4,217,059	-	4,217,059	3,135,637	-	3,135,637
Change in Net Assets	193,625	297,828	491,453	335,807	59,622	395,429
Net Assets - Beginning	1,000,438	108,002	1,108,440	664,631	48,380	713,011
Net Assets - Ending	\$ 1,194,064	\$ 405,830	\$ 1,599,894	\$ 1,000,438	\$ 108,002	\$ 1,108,440

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, 2023

	Legal Services for Older Adults	Legal Services for Adults living with Disabilities	Excelsior Legal Collaborative	Eviction Defense Housing Preservation	Total Program Services	Management & General	Fund Raising	2023 Total
Salaries and wages	\$ 829,508	\$ 57,432	\$ 280,992	\$ 1,146,582	\$ 2,314,515	\$ 329,261	\$ 43,130	\$ 2,686,905
Employee benefits	96,007	7,707	37,199	138,866	279,779	41,866	4,090	325,735
Workers compensation insurance	4,037	252	1,262	5,425	10,977	1,388	252	12,617
Payroll taxes	95,707	5,982	29,909	128,607	260,204	32,899	5,982	299,085
Subcontractor	33,359	3,705	234,395		271,459			271,459
Accounting services and audit					-	43,400		43,400
Human resource services					-	29,408		29,408
Recruitment expenses	2,495	-		12,400	14,895	3,791		18,686
Consultant	3,754	175	1,148	4,303	9,380	1,744	9,258	20,381
Equipment rental	1,151	59	429	1,583	3,223	387		3,609
Staff travel and transportation	1,620	124	1,467	1,682	4,893	4,015		8,909
Meeting support	1,040	9	1,274	2,092	4,414	12,520	50	16,984
Legal Research Resources	12,684	478	3,895	15,051	32,109			32,109
Litigation and client costs	9,664	-	9,357	41,551	60,572	175		60,747
Insurance	11,794	591	4,026	15,761	32,172	662		32,834
Dues and fees	5,380	309	1,782	4,264	11,735	1,214	-	12,949
Utilities	6,853	352	2,145	9,966	19,316	2,069		21,385
Occupancy expenses	64,307	3,153	20,997	81,534	169,991	20,466	-	190,456
Staff training & conferences	2,945	255	695	11,565	15,460	3,060	45	18,565
Datebase support	1,735	86	513	2,268	4,602	544		5,146
Information Technology support	3,998	79	1,038	4,924	10,038	3,649	150	13,838
Cloud-based services	6,719	330	2,018	8,760	17,827	2,594	360	20,781
Postage & delivery	1,019	51	336	1,400	2,806	372		3,178
Office supplies	17,984	558	3,315	27,624	\$ 49,482	17,014	1,397	67,892
Total Expenses	\$ 1,213,762	\$ 81,687	\$ 638,191	\$ 1,666,209	\$ 3,599,849	\$ 552,498	\$ 64,712	\$ 4,217,059

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.
Statements of Cash Flows
Years Ended June 30, 2023
and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 491,454	\$ 395,429
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
Decrease (increase) in receivables	(489,749)	(61,147)
Decrease (increase) in prepaids	(16,621)	(5,649)
Decrease (increase) in right-of-use asset	(1,128,932)	-
Increase (decrease) in accrued compensation	27,058	12,427
Increase (decrease) in accounts payable	584,362	283,449
Increase (decrease) in lease liability	1,128,932	0
Net cash provided (used) by operating activities	596,504	624,509
Cash flows from financing activities		
Line of credit	-	(25,000)
Net cash provided (used) by financing activities	-	(25,000)
Net increase (decrease) in cash and cash equivalents	596,504	599,509
Cash and cash equivalents - beginning of year	1,355,850	756,341
Cash and cash equivalents - end of year	\$ 1,952,354	\$ 1,355,850
Cash and cash equivalents	\$ 686,848	\$ 654,284
Restricted cash	1,265,506	701,566
Total cash, cash equivalent and restricted cash	\$ 1,952,354	\$ 1,355,850
Interest paid	\$ -	\$ -
Right-of-use asset obtained in exchange for lease obligation	\$ 1,128,932	\$ -

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

Legal Assistance to the Elderly, Inc.
Notes To Financial Statements
June 30, 2023 and 2022

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 and CARE court.

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 those 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.

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.

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements
June 30, 2023 and 2022

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, 2023.

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.

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.

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.

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2023 and 2022

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

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, 2023 and 2022 was \$106,388. The cost of leasehold improvements was \$3,900 and was fully depreciated as of June 30, 2023. Accumulated depreciation as of June 30, 2023 and 2022 was \$110,288.

Recent Accounting Guidance

During the year ended June 30, 2023, Legal Assistance to the Elderly, Inc. adopted Financial Accounting Standards Board ASU 2016-02, Leases (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than twelve-months. Leases are classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. Legal Assistance to the Elderly, Inc. elected to apply the modified retrospective transition approach for the standard by applying the standard to all leases existing at the date of initial adoption. The transition requirements are applied at July 1, 2022, effective date rather than at the beginning of the earliest comparative period presented. There was no cumulative effect adjustment in the period of adoption.

Note 2- Grants Receivable

Grants receivable at June 30, 2023 and 2022 consists of amounts due from the following:

	<u>2023</u>	<u>2022</u>
San Francisco Human Services Agency:		
Legal Services-Older Adults	\$230,950	\$227,824
Legal Services-Adults with Disabilities	16,276	15,303
Health-Related Legal Services	36,249	36,250
LGBTQ-Life Planning Services	30,805	38,617
San Francisco Mayor's Office of Housing and Community Development:		
Bay Area Legal Consumer Law	11,896	5,744
Bay Area Legal TRC	219,028	97,090
Bay Area Legal TRC X	311,661	106,260
MOHCD/TRC	68,760	24,186
District 11 Civil Legal Services	<u>154,619</u>	<u>39,224</u>
	<u>\$1,080,247</u>	<u>\$590,498</u>

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2023 and 2022

Note 3- Leases

Legal Assistance to the Elderly, Inc. recognizes and measures its leases in accordance with FASB ASC 842, Leases. Legal Assistance to the Elderly, Inc. determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. A contract contains a lease if there is an identified asset and Legal Assistance to the Elderly, Inc. has the right to control the asset. Lease terms include options to extend the lease when it is reasonably certain those options will be exercised. Legal Assistance to the Elderly, Inc. recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index rate. Legal Assistance to the Elderly, Inc. has elected to use the risk-free rate in lieu of determining an incremental borrowing rate as its discount rate for all leases which is the Treasury constant maturity rate as of the lease commencement date for yield-curve-rates of similar length to the lease term. The ROU asset is subsequently measured throughout the lease term at the present value of remaining lease payments, plus any unamortized initial direct costs. Operating lease expense is recognized on a systematic and rational basis that reflects the 3% fixed percentage annual increase over the lease term in the statement of activities.

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

Future minimum lease payments for the operating lease (including the option to extend) as of June 30, 2023, are as follows:

	2024	\$202,932
Year ending June 30	2025	209,028
	2026	213,808
	2027	221,760
	2028	228,408
	2029	235,260
Total minimum lease payments		1,311,196
		Less interest (185,264)
		Present value of lease liabilities <u>\$1,128,932</u>

Maturities of lease liabilities under noncancellable operating leases are as follows:

	2024	\$ 183,801
Year ending June 30	2025	185,611
	2026	186,132
	2027	189,270
	2028	191,122
	2029	<u>192,995</u>
Total Lease liability		<u>\$1,128,932</u>

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2023 and 2022

Note 4- 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 5- 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	\$1,952,354
Grants receivable	<u>1,080,247</u>
Financial assets available at June 30, 2023:	3,032,601
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>(405,830)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$2,626,771</u>

Note 6- Subsequent Events

Management reviewed the results of operations for the period of time from its year end June 30, 2023 through January 12, 2024, the date the financial statements were available to be issued and have determined that no adjustments are necessary to the amounts report in the accompanying financials statements nor have any subsequent events occurred, the nature of which would require disclosure.

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2023 and 2022

Note 7- Net Asset with donor restriction

With donor restrictions were as follows:

<u>Restriction</u>	<u>6/30/2022</u>	<u>Additions</u>	<u>Releases</u>	<u>6/30/2023</u>
Cy Pres	\$ 13,413	\$ 0	\$ 0	\$ 13,413
HP 21-23	12,537	0	12,537	0
HP3 22-24	50,000	0	50,000	0
EAF 2022	21,135	0	21,135	0
IOLTA 2022	10,917	18,260	29,177	0
Prevention 22-23	0	300,000	264,813	35,187
LSTF Consumer	0	322,202	68,517	253,685
HP3 22-24	0	50,000	25,444	24,556
HP 22-23	0	16,667	0	16,667
IOLTA 2023	0	17,380	0	17,380
EAF 2023	0	27,905	0	27,905
LTSF-Fellowship	0	20,000	9,300	10,700
Event (fundraising)	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
Total	<u>\$ 108,002</u>	<u>\$ 782,414</u>	<u>\$ (484,585)</u>	<u>\$ 405,830</u>

**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, 2023 and 2022, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued my report thereon dated January 12, 2024.

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, 2024

**Legal Assistance To The Elderly, Inc.
Schedule of findings and questioned costs
June 30, 2023 and 2022**

Findings and questioned costs:

Prior year audit findings and recommendation

None.

Current year audit findings and recommendation

None.