

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

AUDITED FINANCIAL STATEMENTS

For The Years Ended June 30, 2024 and 2023

**LEGAL ASSISTANCE TO THE ELDERLY, INC.
FINANCIAL STATEMENTS
JUNE 30, 2024 and 2023**

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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, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In 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, 2024 and 2023, 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 15, 2025 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 15, 2025

Legal Assistance to the Elderly, Inc.
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash	\$ 1,299,011	\$ 686,848
Cash restricted to IOLTA	774,608	1,265,506
Accounts receivable	5,400	-
Grants receivable	719,870	1,080,247
Prepaid expenses	60,561	47,557
Total current assets	2,859,450	3,080,158
Non Current Assets		
Furniture and equipment, net	-	-
Deposits	17,982	17,982
Right-of-use asset	1,017,539	1,128,932
TOTAL ASSETS	\$ 3,894,971	\$ 4,227,072
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 940,586	\$ 1,392,648
Accrued compensation	107,851	105,598
Lease liability	198,006	183,802
Total current liabilities	1,246,443	1,682,048
Long-term Liabilities		
Lease liability	819,533	945,130
Long-term Liabilities	819,533	945,130
TOTAL LIABILITIES	2,065,976	2,627,178
NET ASSETS		
Without donor restrictions	1,325,345	1,194,064
With donor restrictions	503,650	405,830
TOTAL NET ASSETS	1,828,995	1,599,894
TOTAL LIABILITIES AND NET ASSETS	\$ 3,894,971	\$ 4,227,072

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

Legal Assistance to the Elderly, Inc.
Statements of Activities
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUE						
Grants	\$ 3,764,168	\$ 1,199,710	\$ 4,963,878	\$ 3,643,402	\$ 782,414	\$ 4,425,816
Contributions	254,895	-	254,895	224,280	-	224,280
Legal fee income	89,466	-	89,466	34,356	-	34,356
Other Income	25,567	-	25,567	14,060	-	14,060
Fundraising	35,165	-	35,165	10,000	-	10,000
Net assets released from restriction	1,101,890	(1,101,890)	-	484,586	(484,586)	-
Total Support and Revenue	<u>5,271,151</u>	<u>97,820</u>	<u>5,368,971</u>	<u>4,410,684</u>	<u>297,828</u>	<u>4,708,512</u>
EXPENSES						
Program	4,379,990	-	4,379,990	3,599,849	-	3,599,849
Management and general	608,842	-	608,842	552,498	-	552,498
Fund raising	151,038	-	151,038	64,712	-	64,712
Total Expenses	<u>5,139,869</u>	<u>-</u>	<u>5,139,869</u>	<u>4,217,059</u>	<u>-</u>	<u>4,217,059</u>
Change in Net Assets	<u>131,282</u>	<u>97,820</u>	<u>229,102</u>	<u>193,625</u>	<u>297,828</u>	<u>491,453</u>
Net Assets - Beginning	<u>1,194,063</u>	<u>405,830</u>	<u>1,599,893</u>	<u>1,000,438</u>	<u>108,002</u>	<u>1,108,440</u>
Net Assets - Ending	<u>\$ 1,325,345</u>	<u>\$ 503,650</u>	<u>\$ 1,828,995</u>	<u>\$ 1,194,063</u>	<u>\$ 405,830</u>	<u>\$ 1,599,893</u>

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, 2024

	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	\$ 1,086,699	\$ 264,408	\$ 307,415	\$ 1,232,979	\$ 2,891,501	\$ 319,069	\$ 101,516	\$ 3,312,087
Employee benefits	173,585	42,338	49,932	196,156	462,010	50,805	16,406	529,221
Workers compensation insurance	3,731	910	1,073	4,216	9,930	1,092	353	11,375
Payroll taxes	85,807	20,928	24,682	96,964	228,381	25,114	8,110	261,605
Subcontractor	32,159		239,140		271,299			271,299
Accounting services and audit					-	45,600		45,600
Human resource services					-	35,050		35,050
Recruitment expenses	5,221	3,974	874	1,686	11,755	11,526		23,281
Consultant	5,496	1,238	1,823	5,234	13,791	25,679	12,463	51,933
Equipment rental	1,519	253	362	1,600	3,733	520		4,253
Staff travel and transportation	1,776	3,470	924	779	6,950	10,263	66	17,279
Meeting support	1,324	381	677	2,728	5,110	16,490		21,600
Legal Research Resources	17,690	3,751	4,674	20,780	46,896			46,896
Litigation and client costs	22,121	448	5,455	54,184	82,208			82,208
Insurance	16,458	3,845	4,377	15,610	40,290	217		40,507
Dues and fees	7,514	1,695	1,969	3,403	14,581	6,190	5,224	25,996
Utilities	6,002	1,323	2,070	6,147	15,542	4,940		20,482
Occupancy expenses	69,874	15,514	22,699	67,370	175,457	20,766		196,223
Staff training & conferences	8,860	575	820	16,275	26,530	3,711		30,241
Datebase support	2,241	725	957	1,755	5,677			5,677
Information Technology support	4,426	921	1,670	4,298	11,315	6,510	600	18,425
Cloud-based services	6,749	1,462	1,584	6,895	16,690	3,787	4,039	24,516
Postage & delivery	1,396	325	335	1,473	3,529	808	800	5,137
Office supplies	14,097	5,541	2,571	14,604	\$ 36,813	20,703	1,462	58,979
Total Expenses	\$ 1,574,742	\$ 374,026	\$ 676,084	\$ 1,755,137	\$ 4,379,990	\$ 608,842	\$ 151,038	\$ 5,139,869

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.
Statements of Cash Flows
Years Ended June 30, 2024
and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 229,101	\$ 491,454
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	-
Decrease (increase) in receivables	354,977	(489,749)
Decrease (increase) in prepaids	(13,004)	(16,621)
Decrease (increase) in right-of-use asset	111,393	(1,128,932)
Increase (decrease) in accounts payable	(452,062)	(89,721)
Increase (decrease) in accrued compensation	2,253	137,200
Increase (decrease) in other liabilities		563,941
Increase (decrease) in lease liability	(111,393)	1,128,932
Net cash provided (used) by operating activities	121,265	596,504
Net increase (decrease) in cash and cash equivalents	121,265	596,504
Cash and cash equivalents - beginning of year	1,952,354	1,355,850
Cash and cash equivalents - end of year	2,073,619	1,952,354
Cash and cash equivalents	1,299,011	686,848
Restricted cash	774,608	1,265,506
Total cash, cash equivalent and restricted cash	\$ 2,073,619	\$ 1,952,354
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, 2024 and 2023

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.

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.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of amounts from grants from governmental units, public and private foundations and contributions from individuals and corporations for which the Organizations have an unconditional right to receive. Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible accounts. It is the Organizations' policy to charge off uncollectible receivables when management determines the receivable will not be collected. As of June 30, 2024, no allowance for doubtful accounts is made since management believes that all receivables are collectible.

Functional Allocation of Expenses

Functional expenses are allocated to a category of program services and to supporting services based on direct expenditures incurred. Expenses not directly chargeable to a particular functional category are allocated based on an analysis of personnel time. Such allocations are determined by management on an equitable basis

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements
June 30, 2024 and 2023

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

The expenses that are allocated include the following: personnel costs; office expenses; insurance; building and facilities; travel; and depreciation expense.

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, 2024.

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 for general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions. The Organizations recognize contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of the Organizations' revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organizations have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances (deferred revenue) in the statements of financial position.

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2024 and 2023

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, 2024 and 2023 was \$106,388. The cost of leasehold improvements was \$3,900 and was fully depreciated as of June 30, 2024. Accumulated depreciation as of June 30, 2024 and 2023 was \$110,288.

Recent Accounting Guidance

During the year ended June 30, 2024, the Organizations adopted ASU 2022-02, Financial Instruments - Credit Losses (Topic 326), which changes how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under this standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organizations that are subject to this guidance are trade accounts receivable. See Accounts Receivable and Allowance for Credit Losses above and Note 3 below. The standard was adopted effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

Note 2- Grants Receivable

Grants receivable at June 30, 2024 and 2023 consists of amounts due from the following:

	<u>2024</u>	<u>2023</u>
San Francisco Human Services Agency:		
Legal Services-Older Adults	\$340,408	\$230,950
Legal Services-Adults with Disabilities	21,834	16,276
Health-Related Legal Services	43,289	36,249
LGBTQ-Life Planning Services	46,860	30,805
San Francisco Mayor's Office of Housing and Community Development:		
Bay Area Legal Aid Subcontracts:		
Consumer Law	4,671	11,896
Tenant Right to Counsel	58,667	219,028
Tenant Right to Counsel X	90,154	311,661
Direct Contracts:		
Tenant Right to Counsel (Excelsior Legal Collaborative)	35,043	68,760
District 11 Civil Legal Services (Excelsior Legal Collaborative)	<u>78,944</u>	<u>154,619</u>
	<u>\$719,870</u>	<u>\$1,080,247</u>

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2024 and 2023

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, 2024, are as follows:

	2025	\$208,012
Year ending June 30	2026	214,248
	2027	220,678
	2028	227,300
	2029	234,118
	2030	39,210
Total minimum lease payments		1,143,566
		Less interest (120,027)
		Present value of lease liabilities <u>\$1,017,539</u>

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

	2025	\$ 198,006
Year ending June 30	2026	197,532
	2027	197,058
	2028	196,587
	2029	196,115
	2030	<u>32,241</u>
Total Lease liability		<u>\$1,017,539</u>

Legal Assistance To The Elderly, Inc.
Notes To Financial Statements-continued
June 30, 2024 and 2023

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	\$1,299,011
Grants receivable	<u>725,270</u>
Financial assets available at June 30, 2024:	2,024,281
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>(503,650)</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$1,520,631</u>

Note 6- Subsequent Events

Management reviewed the results of operations for the period of time from its year end June 30, 2024 through January 15, 2025, 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, 2024 and 2023

Note 7- Net Asset with donor restriction

With donor restrictions were as follows:

<u>Restriction</u>	<u>6/30/2023</u>	<u>Additions</u>	<u>Releases</u>	<u>6/30/2024</u>
Cy Pres	\$ 9,750	\$ 0	\$ 1,415	\$ 8,335
Bigglesworth Foundation	0	27,500	0	27,500
LSTF CARECourt	0	381,694	340,113	41,581
LSTF IOLTA 2024	0	48,470	0	48,470
LSTF EAF 2024	0	16,079	0	16,079
LSTF Homeless Prevention III 2024	0	60,997	1,240	59,757
CA Access to Justice Commission	0	41,000	6,643	34,357
LSTF Consumer	253,685	322,202	325,551	250,335
LSTF Foreclosure Prevention	35,187	300,000	317,951	17,236
LSTF Homeless Prevention III 2023	24,556	0	24,556	0
LSTF Homeless Prevention	16,667	1,769	18,436	0
LSTF IOLTA 2023	17,380	0	17,380	0
LSTF Equal Access Fund 2023	27,905	0	27,905	0
LTSF Law Fellowship	10,700	0	10,700	0
Event (fundraising)	<u>10,000</u>	<u>0</u>	<u>10,000</u>	<u>0</u>
Total	<u>\$ 405,830</u>	<u>\$ 1,199,710</u>	<u>\$(1,101,890)</u>	<u>\$ 503,650</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, 2024 and 2023 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 14, 2025.

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 or significant deficiencies may exist that were not 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 15, 2025

Legal Assistance To The Elderly, Inc.
Schedule of findings and questioned costs
June 30, 2024 and 2023

Findings and questioned costs:

Prior year audit findings and recommendation

None.

Current year audit findings and recommendation

None.