

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

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended September 30, 2022
(with comparable totals for 2021)**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Legal Aid Society of Palm Beach County, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Legal Aid Society of Palm Beach County, Inc. as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Legal Aid Society of Palm Beach County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Legal Aid Society of Palm Beach County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Legal Aid Society of Palm Beach County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Legal Aid Society of Palm Beach County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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 our 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*, we have also issued our report dated February 24, 2023, on our consideration of Legal Aid Society of Palm Beach County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Legal Aid Society of Palm Beach County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Legal Aid Society of Palm Beach County, Inc.'s internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Legal Aid Society of Palm Beach County, Inc.'s September 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 24, 2023

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

STATEMENT OF FINANCIAL POSITION

As of September 30, 2022

(with comparable totals for 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Totals</u>	<u>2021 Totals</u>
ASSETS				
Cash and cash equivalents	\$ 3,843,919	\$ -	\$ 3,843,919	\$ 4,158,340
Investments	547,235	-	547,235	655,215
Accounts receivable	1,694,675	48,750	1,743,425	1,433,583
Other receivable	752	-	752	14,504
Prepaid expenses	78,358	-	78,358	101,650
Total current assets	<u>6,164,939</u>	<u>48,750</u>	<u>6,213,689</u>	<u>6,363,292</u>
Cash - designated	3,065,466	-	3,065,466	2,563,213
Deposits	4,750	-	4,750	4,750
Beneficial interest in trust	-	64,297	64,297	74,068
Furniture and equipment, net	25,390	-	25,390	38,493
Total assets	<u>\$ 9,260,545</u>	<u>\$ 113,047</u>	<u>\$ 9,373,592</u>	<u>\$ 9,043,816</u>
LIABILITIES AND NET ASSETS				
Accounts payable	\$ 123,404	\$ -	\$ 123,404	\$ 105,920
Accrued salaries	163,911	-	163,911	124,345
Accrued compensated absences	345,248	-	345,248	368,682
Deferred revenues	41,999	-	41,999	238,978
Refundable advances	311,575	-	311,575	380,349
Total current liabilities	<u>986,137</u>	<u>-</u>	<u>986,137</u>	<u>1,218,274</u>
Trust account	180,220	-	180,220	17,556
Public guardianship account	2,885,246	-	2,885,246	2,545,657
Total liabilities	<u>4,051,603</u>	<u>-</u>	<u>4,051,603</u>	<u>3,781,487</u>
Net assets:				
Without donor restrictions	5,208,942	-	5,208,942	5,139,511
With donor restrictions	<u>-</u>	<u>113,047</u>	<u>113,047</u>	<u>122,818</u>
Total net assets	<u>5,208,942</u>	<u>113,047</u>	<u>5,321,989</u>	<u>5,262,329</u>
Total liabilities and net assets	<u>\$ 9,260,545</u>	<u>\$ 113,047</u>	<u>\$ 9,373,592</u>	<u>\$ 9,043,816</u>

See accompanying notes to financial statements.

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

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

(with comparable totals for 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 Totals</u>	<u>2021 Totals</u>
Support and revenues:				
Governmental grants	\$ 10,678,189	\$ -	\$ 10,678,189	\$ 10,246,824
Foundation grants	601,548	-	601,548	679,361
Other grants	306,053	65,000	371,053	335,229
Contributions	759,825	-	759,825	655,810
Program service revenue	165,611	-	165,611	185,693
Special events and activities	370,454	-	370,454	273,821
Investment income	15,640	-	15,640	15,594
Change in unrealized gain on investments	(119,977)	-	(119,977)	84,417
Change in value of beneficial interest in trust	-	(9,771)	(9,771)	14,799
PPP loan forgiveness	-	-	-	1,305,402
Other	6,199	-	6,199	51,750
	<u>12,783,542</u>	<u>55,229</u>	<u>12,838,771</u>	<u>13,848,700</u>
Total support and revenues				
Net assets released from restrictions	<u>65,000</u>	<u>(65,000)</u>	<u>-</u>	<u>-</u>
Expenses:				
Program	11,815,264	-	11,815,264	11,426,586
Management and general	636,883	-	636,883	590,882
Fundraising	326,964	-	326,964	326,953
	<u>12,779,111</u>	<u>-</u>	<u>12,779,111</u>	<u>12,344,421</u>
Total expenses				
Change in net assets	69,431	(9,771)	59,660	1,504,279
Net assets, beginning of year	<u>5,139,511</u>	<u>122,818</u>	<u>5,262,329</u>	<u>3,758,050</u>
Net assets, end of year	<u>\$ 5,208,942</u>	<u>\$ 113,047</u>	<u>\$ 5,321,989</u>	<u>\$ 5,262,329</u>

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2022

(with comparable totals for 2021)

	2022 Totals	2021 Totals
Cash flows from operating activities:		
Cash received from contributors and grantors	\$ 12,028,537	\$ 12,382,013
Cash received from client agencies	165,611	185,693
Cash received from fundraising events	173,475	340,076
Investment income	15,640	15,594
Other cash received	23,363	61,004
Cash paid to employees	(10,205,847)	(10,047,280)
Cash paid for goods and services	(2,503,202)	(2,511,058)
Net cash provided by (used in) operating activities	<u>(302,423)</u>	<u>426,042</u>
Cash flows from investing activities:		
Proceeds from sale of investments	-	750
Purchase of investments	(11,997)	(4,905)
Purchase of furniture and equipment	-	(32,351)
Net cash used in investing activities	<u>(11,997)</u>	<u>(36,506)</u>
Cash flows from financing activities:		
Advances under agency transactions	502,252	367,825
Net cash provided by financing activities	<u>502,252</u>	<u>367,825</u>
Net change in cash and cash equivalents	187,832	757,361
Cash and cash equivalents, beginning of year	<u>6,721,553</u>	<u>5,964,192</u>
Cash and cash equivalents, end of year	<u><u>\$ 6,909,385</u></u>	<u><u>\$ 6,721,553</u></u>
Cash and cash equivalents	\$ 3,843,919	\$ 4,158,340
Cash - designated	<u>3,065,466</u>	<u>2,563,213</u>
	<u><u>\$ 6,909,385</u></u>	<u><u>\$ 6,721,553</u></u>

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2022

(with comparable totals for 2021)

	<u>2022</u> <u>Totals</u>	<u>2021</u> <u>Totals</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 59,660	\$ 1,504,279
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	13,103	15,730
Change in unrealized gain on investments	119,977	(84,417)
Change in value of beneficial interest in trust	9,771	(14,799)
PPP loan forgiveness	-	(1,305,402)
Decrease (increase) in:		
Accounts receivable	(309,842)	167,252
Other receivable	13,752	13,940
Prepaid expenses	23,292	(10,756)
Increase (decrease) in:		
Accounts payable	17,484	27,589
Accrued salaries	39,566	(254,371)
Accrued compensated absences	(23,434)	3,205
Deferred revenues	(196,979)	66,255
Refundable advances	(68,773)	297,537
	<u>\$ (302,423)</u>	<u>\$ 426,042</u>

See accompanying notes to financial statements.

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

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2022

(with comparable totals for 2021)

	Program	Management and General	Fundraising	2022 Totals	2021 Totals
Salaries	\$ 7,537,940	\$ 462,920	\$ 106,886	\$ 8,107,746	\$ 7,811,574
Payroll taxes	555,497	32,552	6,822	594,871	554,818
Employee benefits	1,459,005	38,230	22,127	1,519,362	1,429,722
Total personnel expenses	9,552,442	533,702	135,835	10,221,979	9,796,114
Bank charges	-	14,881	2,930	17,811	14,764
Bar functions	4,921	7,714	557	13,192	1,190
Dues and licenses	32,303	4,713	11	37,027	61,104
Equipment rental and maintenance	108,559	4,351	1,441	114,351	77,775
Fundraising event costs	620	-	165,816	166,436	71,918
Insurance	52,304	1,310	281	53,895	48,942
Library	31,011	3,749	122	34,882	34,495
Litigation costs	73,367	-	-	73,367	73,271
Miscellaneous expense	6,763	1,007	6	7,776	6,546
Other project expenses	46,508	-	880	47,388	36,146
Parking	15,153	207	6	15,366	39,060
Postage and shipping	29,347	901	204	30,452	23,410
Printing	17,474	47	2,493	20,014	8,076
Pro bono expenses	-	-	-	-	120
Professional fees	195,354	12,570	4,496	212,420	168,660
Public relations	-	-	-	-	35
Recruiting	28,890	-	-	28,890	14,410
Rent and utilities	611,035	19,720	10,000	640,755	625,859
Specific assistance to individuals	769,308	-	-	769,308	995,575
Staff development	-	1,702	-	1,702	2,030
Sub-grants	23,698	-	-	23,698	25,451
Supplies	93,531	12,570	1,545	107,646	103,125
Telephone and communications	34,182	2,500	272	36,954	34,987
Training and education	28,251	2,701	69	31,021	33,940
Travel	59,369	309	-	59,678	31,688
Depreciation	874	12,229	-	13,103	15,730
Total expenses	<u>\$11,815,264</u>	<u>\$ 636,883</u>	<u>\$ 326,964</u>	<u>\$12,779,111</u>	<u>\$12,344,421</u>

See accompanying notes to financial statements.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

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

Basis of Accounting

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

Financial Statement Presentation

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

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

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments

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

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

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended September 30, 2021, from which the summarized information was derived. Certain 2021 amounts have been reclassified to conform to 2022 classifications. Such reclassifications have no effect on the change in net assets as previously reported.

Cash and Cash Equivalents, Cash - Designated

For purposes of the statement of cash flows, the Society considers designated cash and all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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

Investments

Investments of the Society are stated at fair value based on quoted prices on a national stock exchange, with the resulting realized and change in unrealized gains and losses included in the Statement of Activities. Investments as of September 30, 2022 consist primarily of mutual funds that are presented in the financial statement at fair value, with the resulting realized and change in unrealized gains and losses included in the Statement of Activities. Investment transactions and related expenses are accounted for on a trade date basis. Cash and cash equivalents accounts maintained by the Society's investment portfolio are part of the Society's long-term investment policy and are classified as investments.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies, continued

Accounts Receivable

Accounts receivable consist of amounts due to the Society under various federal, state, and local grants and promises to give from United Way and other agencies. Because the amounts are considered to be fully collectible, there is no provision for doubtful accounts as of September 30, 2022.

Furniture and Equipment

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

Compensated Absences

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

Refundable Advances

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

Contributions

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

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

Functional Allocation of Expenses

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

Advertising

The Society expenses advertising costs as incurred and includes such expenses in the public relations category in the Statement of Functional Expenses.

For the Year Ended September 30, 2022

1. Summary of Significant Accounting Policies, continued

Income taxes

The Society is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Society’s tax-exempt purpose would be subject to taxation as unrelated business income. There were no such unrelated activities for the year ended September 30, 2022.

The Society follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold. The Society assesses its income tax positions based on management’s evaluation of the facts, circumstances and information available at the reporting date. The Society uses the prescribed more likely than not threshold when making its assessment. For the year ended September 30, 2022, the Society did not accrue any interest expense or penalties related to its tax positions. Furthermore, there are currently no open Federal or State tax years under audit.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU 2016-02 replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their statement of financial position as liabilities, with corresponding “right-of-use” assets. The standard is effective for annual reporting periods in fiscal years that begin after December 15, 2021. Management is currently evaluating the magnitude and other potential impacts on the Society’s financial statements.

2. Liquidity and Availability of Resources

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

Cash and cash equivalents	\$ 3,843,919
Investments	547,235
Accounts receivable	1,743,425
Other receivable	<u>752</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 6,135,331</u>

The Society is substantially supported by contributions without donor and with donor restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Society must maintain sufficient resources to meet those responsibilities to its donors. Some of the Society’s net assets with donor restrictions are available for general expenditure within one year of September 30, 2022 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Society in the coming year.

For the Year Ended September 30, 2022

2. Liquidity and Availability of Resources, continued

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

3. Fair Value Measurements

FASB ASC 820-10 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

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

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

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

Loan Payable: The carrying amount reported approximates fair value as the stated interest rates approximate market rates.

For the Year Ended September 30, 2022

3. Fair Value Measurements, continued

Items Measured at Fair Value on a Recurring Basis: The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of September 30, 2022.

Investments: Valued at net asset value (NAV) by the custodian as of the close of business at year end September 30, 2022.

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

The following table sets forth by level, within the fair value hierarchy, the Society's assets at fair value as of September 30, 2022:

	<u>Assets at Fair Value</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Investments	\$ 547,235	\$ -	\$ -	\$ 547,235
Beneficial interest in trust	-	-	64,297	64,297
Total	<u>\$ 547,235</u>	<u>\$ -</u>	<u>\$ 64,297</u>	<u>\$ 611,532</u>

The table below sets forth a summary of changes in the fair value of the beneficial interest in trust for the year ended September 30, 2022.

Balance, beginning of year	\$ 74,068
Issuances/contributions	-
Settlements/collections	-
Change in value	<u>(9,771)</u>
Balance, end of year	<u>\$ 64,297</u>

4. Investments

Investments in mutual funds are presented in the financial statement at fair value, with the resulting realized and change in unrealized gains and losses included in the Statement of Activities. Investment transactions and related expenses are accounted for on a trade date basis. Investments consist of the following as of September 30, 2022:

Money market funds	\$ 8,073
Fixed income mutual funds	266,184
Common stock mutual funds	<u>272,978</u>
Total investments at fair market value	547,235
Total investments at cost	<u>376,658</u>
Unrealized gains	170,577
Less beginning balance of unrealized gains	<u>290,554</u>
Total change in unrealized gain	<u>\$ (119,997)</u>

For the Year Ended September 30, 2022

5. Accounts Receivable

Accounts receivable consisted of the following as of September 30, 2022:

Federal and state grants	\$ 1,109,076
Local government grants	417,671
Other grants	167,928
United Way Allocation	<u>48,750</u>
	<u>\$ 1,743,425</u>

6. Prepaid Expenses

Prepaid expenses consisted of prepaid insurance, software licenses, IT services and future events as of September 30, 2022:

7. Furniture and Equipment

Furniture and equipment consisted of the following as of September 30, 2022:

Furniture and fixtures	\$ 105,994
Computer equipment	140,508
Software	81,982
Other assets	<u>242,066</u>
	570,550
Less accumulated depreciation	<u>545,160</u>
Furniture and equipment, net	<u>\$ 25,390</u>

8. Beneficial Interest in Trust

The Society is the income beneficiary of a perpetual trust, whose assets are held by the Community Foundation for Palm Beach and Martin Counties, Inc. (the "Foundation") as an endowed component fund ("Fund"). Under the terms of the Fund, the Foundation's Board of Directors has a variance power to modify any restriction or condition on the distribution of funds for any specific charitable purpose or to specified organizations, if in their sole judgement (without the approval of any trustee, custodian, or agent), such restriction or conditions becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or the area served by the Foundation. The Fund is subject to the Foundation's investment and spending policies. During the year ended September 30, 2022, the Society did not receive any distributions from the Fund.

9. Line of Credit

The Society has a \$350,000 line of credit with interest at the bank's prime rate (5.50% as of September 30, 2022), that is secured by accounts receivable and other business assets. No amount was outstanding as of September 30, 2022.

For the Year Ended September 30, 2022

10. Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2022 consisted of the following:

Subject to the passage of time:	
Town of Palm Beach United Way Allocation	\$ 48,750
Beneficial interest in trust	<u>14,297</u>
Total time restrictions	<u>63,047</u>
Perpetual in nature:	
Beneficial interest in trust	<u>50,000</u>
Total net assets with donor restrictions	<u>\$ 113,047</u>

11. Government Grants

Government grants consist of \$3,314,705 from various federal government agencies, \$1,093,404 from state government agencies, and \$6,270,080 from local government agencies.

Grants from local government agencies include \$4,795,810 from Children’s Services Council, and \$1,474,270 from Palm Beach County.

Children’s Services Council funds the following programs:

Non-profit legal assistance project	\$ 64,000
Children’s Advocacy Project	4,318,443
Project DULCE	379,332
Other	<u>34,035</u>
	<u>\$ 4,795,810</u>

Palm Beach County funds the following projects:

Domestic violence	\$ 113,646
Guardian advocacy	92,245
Guardianship program for elder citizens	152,542
Wage dispute project	141,100
Community Id program	75,000
Other legal assistance	<u>899,737</u>
	<u>\$ 1,474,270</u>

12. Other Grants

Other grants received during the year amounted to \$371,053, of which approximately \$277,800 was awarded from Town of Palm Beach United Way and United Way of Palm Beach County.

For the Year Ended September 30, 2022

13. Operating Lease Commitment

The Society leases its office space under two non-cancelable leases extending through February 2026. For the year ended September 30, 2022, rent expense for office space was \$640,755, and is included in the rent and utilities category in the Statement of Functional Expenses.

A schedule of future minimum rental payments under the leases as of September 30 is as follows:

2023	\$ 642,200
2024	661,467
2025	681,311
2026	<u>287,367</u>
	<u>\$ 2,272,345</u>

The Society is also lessee under operating lease agreements extending through July 2027, for the use of various items of office equipment. For the year ended September 30, 2022, equipment rental expense totaled approximately \$36,740, and is included in equipment rental and maintenance expense in the Statement of Functional Expenses.

Minimum expected future lease payments for office equipment as of September 30, are as follows:

2023	\$ 31,987
2024	23,336
2025	6,415
2026	709
2027	<u>532</u>
	<u>\$ 62,979</u>

14. Concentration of Credit Risk

The Society maintains cash deposits at different banks, which the Society periodically evaluates and believes to be in sound financial condition. Deposits located at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of September 30, 2022, the uninsured portion of deposits aggregated to approximately \$2,864,500. The Society has not experienced any loss on such accounts and management believes it is not exposed to any significant credit risk arising from such balances.

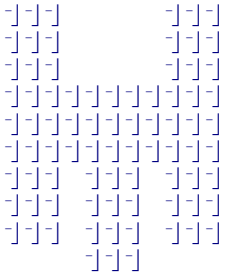
15. Retirement Plan

The Society maintains a 401(k) profit sharing plan for all eligible employees, as more fully described in the plan documents. The Society makes match contributions in an amount equal to 100% of the participant's elective contribution not in excess of 2% of the participant's compensation for the plan year. The Society also has the option to make discretionary contributions to the plan. The Society's contribution to the plan for the year ended September 30, 2022 was \$109,519, and is included in employee benefits expense in the Statement of Functional Expenses.

For the Year Ended September 30, 2022

16. Subsequent Events

The Society's management has evaluated subsequent events through February 24, 2023, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.



Holyfield & Thomas, LLC

Certified Public Accountants & Advisors

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Legal Aid Society of Palm Beach County, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 24, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Legal Aid Society of Palm Beach County, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Legal Aid Society of Palm Beach County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Legal Aid Society of Palm Beach County, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-01, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Legal Aid Society of Palm Beach County, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-01.

Legal Aid Society of Palm Beach County, Inc.'s Response to Findings

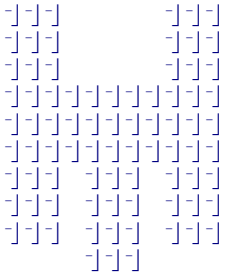
Government Auditing Standards requires the auditor to perform limited procedures on Legal Aid Society of Palm Beach County, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Legal Aid Society of Palm Beach County, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 24, 2023



Holyfield & Thomas, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Legal Aid Society of Palm Beach County, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Legal Aid Society of Palm Beach County, Inc.'s major federal programs for the year ended September 30, 2022. Legal Aid Society of Palm Beach County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Legal Aid Society of Palm Beach County, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Legal Aid Society of Palm Beach County, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Legal Aid Society of Palm Beach County, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Legal Aid Society of Palm Beach County, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Legal Aid Society of Palm Beach County, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Legal Aid Society of Palm Beach County, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Legal Aid Society of Palm Beach County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Legal Aid Society of Palm Beach County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Legal Aid Society of Palm Beach County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Holyfield & Thomas, LLC

West Palm Beach, Florida
February 24, 2023

For the Year Ended September 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance on major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Major programs:	
CFDA Number	16.575
Name of Federal Program or Cluster:	U.S. Department of Justice – Crime Victim Assistance
Dollar Threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

For the Year Ended September 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

<i>Finding</i>	<i>2022-01: Revenue/Receivable Reconciliation</i>
<i>Condition</i>	Grants revenue were not reconciled with the grant agreements, and grants receivable were not reviewed to ensure collection or correction.
<i>Criteria</i>	Internal controls should be in place to ensure amounts billed under each grant are in accordance with the terms of the grant agreement.
<i>Cause</i>	There are no procedures in place to require the reconciliation of grant revenue and receivables with the grant agreement.
<i>Effect</i>	Because no reconciliation was done through the year, grants revenue recorded in the books exceeded the amount allowed under the grant agreement. These amounts remained as outstanding receivable.
<i>Recommendation</i>	We recommend that management develop a system to track the progress of each grant to ensure that amounts are recorded in accordance with the agreements, and to make sure funds under the grants are properly utilized. In addition, such system would assist management to determine that funds are collected on a timely manner and that proper adjustments to the billings are made when necessary.
<i>Management's response</i>	We have developed a report mechanism within our accounting system that will report grant revenue in relation to the grant amount, regardless of fiscal periods involved. We have also initiated an internal reconciliation checklist and have specific staff assigned to each of the reconciliations to assure that grants revenue and our receivables are being reconciled on a monthly basis.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported for the year ended September 30, 2022, relative to federal awards for Legal Aid Society of Palm Beach County, Inc.

PRIOR YEAR FINDINGS

There were no prior audit findings for the year ended September 30, 2021, relative to federal awards requiring action on the part of Legal Aid Society of Palm Beach County, Inc.



Legal Aid Society of Palm Beach County, Inc.

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Corrective Action Plan For the Year Ended September 30, 2022

Legal Aid Society of Palm Beach County, Inc. respectfully submits the following corrective action plan for the year ended September 30, 2022.

Name and address of independent public accounting firm:

Holyfield & Thomas, LLC
125 Butler Street
West Palm Beach, FL 33407

Audit period: September 30, 2022

The findings from the September 30, 2022 schedule of findings and questioned costs are discussed below. The finding is numbered consistently with the number assigned in the schedule of the audit report dated February 24, 2023.

FINDINGS—FINANCIAL STATEMENT AUDIT

2022-01: Revenue/Receivable Reconciliation

Recommendation: Auditors recommend that management develop a system to track the progress of each grant to ensure that amounts are recorded in accordance with the agreements, and to make sure funds under the grants are properly utilized. In addition, such system would assist management to determine that funds are collected on a timely manner and that proper adjustments to the billings are made when necessary.

Action taken: We have developed a report mechanism within our accounting system that will report grant revenue in relation to the grant amount, regardless of fiscal periods involved. This will alert us to the occurrence of a grant billed for funds in excess of the permissible amounts. We have also initiated an internal reconciliation checklist and have specific staff assigned to each of the reconciliations to assure that grants revenue and our receivables are being reconciled on a monthly basis.

For questions regarding this plan, please call Robert Bertisch, Executive Director at (561) 655-8944.

Sincerely yours,
Legal Aid Society of Palm Beach County, Inc.

By: Robert Bertisch, Esq., Executive Director
February 24, 2023



Additional Funding Provided by Palm Beach County

SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

For the Year Ended September 30, 2022

Federal Grantor Pass-through Entity Federal Program Title	Period	CFDA Number	Award Number	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Fair Housing Initiative Program	04/01/21 - 03/31/22	14.418	FPEI20046	\$ 180,000
Fair Housing Initiative Program	04/01/22 - 03/31/23	14.418	FPEI20046	185,000
Fair Housing Initiative Program	06/01/22 - 05/31/23	14.418	FPE2122055	81,250
Fair Housing Initiative Program	06/01/21 - 05/31/22	14.416	FEOI20027	78,805
Fair Housing Initiative Program	06/01/22 - 05/31/23	14.416	FEOI210068	<u>41,667</u>
				566,722
Passed through from Palm Beach County, Florida:				
Community Development Block Grants	10/01/21 - 09/30/22	14.218	R2021-1511	58,621
Emergency Solutions Grant Program	03/01/21 - 09/30/22	14.231	R2021-0998	247,646
Emergency Solutions Grant Program	03/01/21 - 09/30/22	14.231	R2022-0922	350,000
Passed through from City of Boca Raton, Florida:				
Community Development Block Grants	10/01/21 - 09/30/22	14.218	FY2021-2022CDBG	4,100
Passed through from City of Boynton Beach, Florida:				
Community Development Block Grants	10/01/21 - 09/30/22	14.218	FY2021-2022CDBG	5,760
Passed through from City of Delray, Florida:				
Community Development Block Grants	10/01/21 - 09/30/22	14.218	FY2021-2022CDBG	9,500
Passed through from City of Jacksonville, Florida:				
Eviction Protection Grant Program:				
Florida Legal Aid Eviction Protection Proj	02/01/22 - 02/01/24	14.537	EP-21-FL-001	<u>108,831</u>
Total U.S. Department of Housing and Urban Development				<u>1,351,180</u>
U.S. Department of Justice:				
Passed through from Florida Office of the Attorney General:				
Crime Victim Assistance	10/01/21 - 09/30/22	16.575	VOCA-2021-Legal Aid Society of Palm-00559	829,463
Passed through from Office on Violence Against Women:				
Legal Assistance for Victims	10/01/16 - 09/30/22	16.524	2016-WL-AX-0058	206,360
Passed through from Office for Victims of Crime, Equal Justice Works:				
Crime Victim Assistance/Discretionary	06/15/20 - 08/31/22	16.582	2020-OVC-EJP-009	<u>100,317</u>
Total U.S. Department of Justice				<u>1,136,140</u>

(continued on next page)

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

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

**SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

For the Year Ended September 30, 2022

Federal Grantor Pass-through Entity Federal Program Title	Period	CFDA Number	Award Number	Federal Expenditures
<i>(continued from previous page)</i>				
U.S. Department of Treasury:				
Low Income Taxpayer Clinics	01/01/21 - 12/31/21	21.008	21-LITC0457-02-00	\$ 22,500
Low Income Taxpayer Clinics	01/01/22 - 12/31/22	21.008	21-LITC0457-03-00	67,500
				<u>90,000</u>
Passed through from City of Lake Worth, Florida:				
American Rescue Plan Act of 2021	10/01/21 - 09/30/22	21.027	Y5177	<u>32,900</u>
Total U.S. Department of Treasury				<u>122,900</u>
U.S. Department of Health and Human Services:				
Older Americans Act, Title III B and Title III E - Support Services	01/01/21 - 12/31/21	93.044/.052	IA 021-9001 002	138,180
	01/01/22 - 12/31/22	93.044/.052	IA 021-9001 003	291,906
				<u>430,086</u>
Passed through from Palm Beach County, Florida:				
HIV Emergency Relief Project	03/01/20 - 02/28/21	93.914	R2019-0585	109,629
HIV Emergency Relief Project	03/01/21 - 02/28/24	93.914	R2021-0308	164,770
				<u>274,399</u>
Total U.S. Department of Health and Human Services				<u>704,485</u>
Total expenditures of federal awards				<u><u>\$ 3,314,705</u></u>

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

For the Year Ended September 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Legal Aid Society of Palm Beach County, Inc. under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Legal Aid Society of Palm Beach County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Legal Aid Society of Palm Beach County, Inc.

2. Summary of Significant Accounting Policies

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

3. Scope of Audit Pursuant to Uniform Guidance

All federal grant operations of Legal Aid Society of Palm Beach County, Inc. are included in the scope of the Uniform Guidance.

Programs tested as major federal programs included awards from the U.S. Department of Justice with fiscal year 2022 expenditures totaling \$829,463. Programs tested ensure coverage of at least 20 percent of federally granted funds. Actual coverage is approximately 25 percent of total federal award program expenditures.

See independent auditor's report.