

LEGAL ASSISTANCE OF WESTERN
NEW YORK, INC.

Grantee No. 233130

Financial Statements and
Supplementary Information

December 31, 2020

(With Independent Auditors' Report Thereon)

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Legal Assistance of Western New York, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Legal Assistance of Western New York, Inc. (LAWNY) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to LAWNY's preparation and fair presentation of the financial statements 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 LAWNY's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legal Assistance of Western New York, Inc. as of December 31, 2020, 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.

Other Matters

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in schedule 1 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards (schedule 2), as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited LAWNY's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 26, 2021, on our consideration of LAWNY'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 LAWNY'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 LAWNY's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 26, 2021

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
Statement of Financial Position
December 31, 2020
with comparative totals for 2019

	<u>Assets</u>	<u>2020</u>	<u>2019</u>
Current assets:			
Cash and equivalents		\$ 906,229	460,364
Client escrow funds		19,662	19,195
Receivables		3,254,782	2,728,232
Prepaid expenses		<u>132,343</u>	<u>121,158</u>
Total current assets		4,313,016	3,328,949
Property and equipment, net		<u>212,284</u>	<u>201,354</u>
Total assets		<u>\$ 4,525,300</u>	<u>3,530,303</u>
 <u>Liabilities and Net Assets</u> 			
Current liabilities:			
Accounts payable and accrued expenses		1,181,698	1,086,477
Client trust deposits		19,662	19,195
Deferred grant revenue		<u>689,679</u>	<u>192,526</u>
Total current liabilities		<u>1,891,039</u>	<u>1,298,198</u>
Net assets:			
Without donor restrictions		857,093	655,095
With donor restrictions:			
Legal Services Corporation		481,554	16,736
Grant programs		<u>1,295,614</u>	<u>1,560,274</u>
Total net assets with donor restrictions		<u>1,777,168</u>	<u>1,577,010</u>
Total net assets		<u>2,634,261</u>	<u>2,232,105</u>
Commitments (note 13)			
Total liabilities and net assets		<u>\$ 4,525,300</u>	<u>3,530,303</u>

See accompanying notes to financial statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Statement of Activities

Year ended December 31, 2020

with comparative totals for 2019

	Without donor restrictions	With Donor Restrictions		Total with donor restrictions	Total	
		Legal Services Corporation	Other		2020	2019
Revenue and other support:						
Contributions	\$ 539,748	2,237,304	8,743,581	10,980,885	11,520,633	12,449,608
Donations	238,006	-	-	-	238,006	187,347
Attorney fees	-	-	22,393	22,393	22,393	34,330
Interest income	-	360	841	1,201	1,201	932
Grant - Paycheck protection program	1,755,700	-	-	-	1,755,700	-
Other	62,569	-	22,572	22,572	85,141	70,489
Net assets released from restrictions through satisfaction of program restrictions	<u>10,826,893</u>	<u>(1,772,846)</u>	<u>(9,054,047)</u>	<u>(10,826,893)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>13,422,916</u>	<u>464,818</u>	<u>(264,660)</u>	<u>200,158</u>	<u>13,623,074</u>	<u>12,742,706</u>
Expenses:						
Program services	11,353,921	-	-	-	11,353,921	10,540,196
Management and general	<u>1,866,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,866,997</u>	<u>1,773,000</u>
Total expenses	<u>13,220,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,220,918</u>	<u>12,313,196</u>
Change in net assets	201,998	464,818	(264,660)	200,158	402,156	429,510
Net assets at beginning of year	<u>655,095</u>	<u>16,736</u>	<u>1,560,274</u>	<u>1,577,010</u>	<u>2,232,105</u>	<u>1,802,595</u>
Net assets at end of year	<u>\$ 857,093</u>	<u>481,554</u>	<u>1,295,614</u>	<u>1,777,168</u>	<u>2,634,261</u>	<u>2,232,105</u>

See accompanying notes to financial statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
Statement of Functional Expenses
Year ended December 31, 2020
with comparative totals for 2019

	Program services	Management and general	<u>Total</u>	
			<u>2020</u>	<u>2019</u>
Personnel expenses:				
Lawyers	\$ 4,253,232	802,386	5,055,618	4,841,858
Paralegals	2,168,354	-	2,168,354	1,952,052
Other staff	468,966	450,257	919,223	847,969
Payroll taxes and employee benefits	<u>2,489,385</u>	<u>394,081</u>	<u>2,883,466</u>	<u>2,442,951</u>
Total personnel expenses	<u>9,379,937</u>	<u>1,646,724</u>	<u>11,026,661</u>	<u>10,084,830</u>
Other expenses:				
Occupancy	553,755	104,302	658,057	606,809
Equipment rental and maintenance	38,577	7,266	45,843	42,493
Office supplies and expenses	142,607	26,861	169,468	205,439
Telephone and internet	122,782	23,126	145,908	129,498
Travel	29,319	6,760	36,079	157,038
Training	25,964	4,891	30,855	61,798
Library	54,137	10,197	64,334	63,699
Insurance	58,014	10,927	68,941	60,515
Donated services	238,006	-	238,006	187,347
Dues and fees	33,833	6,373	40,206	41,329
Professional fees	16,401	-	16,401	14,900
Litigation	2,451	-	2,451	6,269
Contract services to clients	237,698	-	237,698	81,925
Contract services to program	302,084	6,615	308,699	454,376
Depreciation	49,571	-	49,571	40,449
Other	<u>68,785</u>	<u>12,955</u>	<u>81,740</u>	<u>74,482</u>
Total other expenses	<u>1,973,984</u>	<u>220,273</u>	<u>2,194,257</u>	<u>2,228,366</u>
Total expenses	<u>\$ 11,353,921</u>	<u>1,866,997</u>	<u>13,220,918</u>	<u>12,313,196</u>

See accompanying notes to financial statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Statement of Cash Flows

Year ended December 31, 2020

with comparative totals for 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ 402,156	429,510
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	49,571	40,449
Changes in:		
Receivables	(526,550)	(783,068)
Prepaid expenses	(11,185)	(14,178)
Accounts payable and accrued expenses	95,221	43,544
Deferred grant revenue	<u>497,153</u>	<u>191,962</u>
Net cash provided by (used in) operating activities	506,366	(91,781)
Cash flows from investing activities - additions to property and equipment	<u>(60,501)</u>	<u>(89,156)</u>
Change in cash and equivalents	445,865	(180,937)
Cash and equivalents at beginning of year	<u>460,364</u>	<u>641,301</u>
Cash and equivalents at end of year	<u>\$ 906,229</u>	<u>460,364</u>
Supplemental schedule of cash flow information - disposal of fully depreciated property and equipment	<u>\$ 21,975</u>	<u>-</u>

See accompanying notes to financial statements.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Legal Assistance of Western New York, Inc. (LAWNY) is a non-profit corporation organized for the purpose of providing legal assistance in non-criminal proceedings or matters to persons financially unable to afford legal assistance in the Western New York area. LAWNY was formed when Southern Tier Legal Services and Chemung County Neighborhood Legal Services, Inc. merged with Monroe County Legal Assistance Corp. in February 2004. In connection with the merger, the name of the corporation was changed from Monroe County Legal Assistance Corp. to Legal Assistance of Western New York, Inc.

(b) Basis of Accounting

The accompanying financial statements of LAWNY have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

LAWNY reports information regarding its net assets and changes therein in the following categories: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of LAWNY's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of LAWNY.

(d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(e) Cash and Equivalents

For purposes of reporting cash flows, LAWNY considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(f) Concentrations of Credit Risk

Financial instruments that potentially subject LAWNY to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Receivables and Bad Debts

Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(h) Capitalization and Depreciation

Property and equipment are recorded at cost. Property and equipment acquired with Legal Services Corporations (LSC) funds (including leasehold improvements) are considered to be owned by LAWNY while used in the program or in future authorized programs. However, LSC retains a reversionary interest in these assets, as well as the right to determine the use of any proceeds from the sale of assets purchased with its funds. LAWNY follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000. Depreciation of property and equipment is computed on a straight-line basis over the estimated service lives of the assets (ranging from 5 to 40 years).

(i) Long-Lived Assets

LAWNY reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. For assets held and used, if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the asset's carrying value over its estimated fair value. At December 31, 2020 and 2019, no impairment loss has been recognized by LAWNY.

(j) Compensated Absences

Employees accumulate a limited amount of earned but unused vacation time. LAWNY is obligated to pay employees these benefits upon termination or retirement. Compensated absences, included in accounts payable and accrued expenses, amounted to \$465,187 and \$401,735 at December 31, 2020 and 2019, respectively.

(k) Deferred Grant Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statement of financial position as deferred grant revenue.

Under the terms of various grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such questioned costs could lead to reimbursements to the grantor agencies. Management believes that it would be able to provide support acceptable to the grantor and that any disallowances would not be material.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Donated Personal Services

Donated personal services meeting the requirements for recognition in the financial statements are reflected in the accompanying statements at their estimated fair market value at the date of receipt. Many individuals volunteer their time and perform a variety of tasks that assist LAWNY.

(m) Income Taxes

LAWNY is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. LAWNY has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. LAWNY presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that LAWNY has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by LAWNY are subject to examination by taxing authorities.

(n) Subsequent Events

LAWNY has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on LAWNY and its future results and financial position is not presently determinable.

(2) Liquidity

LAWNY has \$4,161,011 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$906,229 of cash and equivalents and \$3,254,782 of receivables. As of December 31, 2020, \$1,777,168 is restricted for use for LSC and for various other programs operated by LAWNY. As more fully described in note 6, LAWNY has a line of credit in the amount of \$750,000, which it could draw upon in the event of an unanticipated liquidity need.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Financial Statements, Continued

(3) Receivables

Receivables amounted to \$3,254,782 and \$2,728,232 at December 31, 2020 and 2019, respectively. These receivables represent the amounts LAWNY was due from funding sources for expenditures incurred or services rendered in excess of payments received. The following details the receivables as of December 31, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
New York State Office of Court Administration	\$ 492,919	147,117
New York State Interest on Lawyer Account Fund	452,629	287,500
Empire Justice Center	272,706	265,243
Community Service Society of New York	204,194	134,287
Hunger Solutions	185,590	196,894
Cattaraugus County	163,887	225,797
Chautauqua County	140,053	64,619
New York State AmeriCorp (Regional)	115,514	47,583
Non-profit Infrastructure Capital Investment Program	100,859	67,542
Legal Services Corporation	90,260	202,855
Department of Housing and Urban Development	81,870	150,000
Wayne County	80,692	75,539
NYS Solutions to End Homelessness	75,750	88,866
Law Help	54,623	64,030
Department of Justice	52,213	74,079
Equal Justice Works	49,946	33,793
Salvation Army	33,106	76,752
New York State Department of Law	31,797	98,835
Tompkins County	6,389	112,826
Other	<u>569,785</u>	<u>314,075</u>
	<u>\$ 3,254,782</u>	<u>2,728,232</u>

(4) Property and Equipment

Property and equipment as of December 31, 2020 and 2019 consisted of:

	<u>2020</u>	<u>2019</u>
Purchased with LSC and non-LSC funds:		
Building and improvements	\$ 132,260	114,710
Furniture and equipment	267,264	289,240
Leasehold improvements	<u>284,266</u>	<u>241,314</u>
	683,790	645,264
Less accumulated depreciation	<u>(471,506)</u>	<u>(443,910)</u>
Total property and equipment, all funds	<u>\$ 212,284</u>	<u>201,354</u>

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Financial Statements, Continued

(4) Property and Equipment, Continued

	<u>2020</u>	<u>2019</u>
Purchased with LSC funds included above:		
Furniture and equipment	\$ 37,819	37,819
Less accumulated depreciation	(34,672)	(32,095)
Total property and equipment, LSC funds	\$ <u>3,147</u>	<u>5,724</u>

(5) LSC Funding

Funding received from LSC for the years ended December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Basic Field Grant	\$ 2,003,267	1,892,831
Technology Initiative Grant	-	13,260
Pro Bono Initiative Fund Grant	151,101	147,266
Telework Grant	17,345	-
COVID-19 Response Grant	<u>65,591</u>	<u>-</u>
	\$ <u>2,237,304</u>	<u>2,053,357</u>

The LSC funds are restricted, to be used only for purposes authorized under the Legal Services Corporation Act of 1974, as amended.

(6) Note Payable - Line of Credit

LAWNY has a \$750,000 line of credit with Canandaigua National Bank bearing interest at the prime rate plus 1.5%. At December 31, 2020 and 2019, there were no outstanding balances on the line of credit.

(7) Paycheck Protection Program

In April 2020, LAWNY received a loan under the Paycheck Protection Program that was designed by the United States Small Business Administration (SBA) to provide direct incentive for small businesses to keep their workers on payroll due to COVID-19. The SBA will forgive the loan if all employee retention criteria are met, and the funds are used for eligible expenses. If the criteria are not met, the loan is to be paid in equal payments over a period of two years, including interest at 1%. LAWNY anticipates this loan to be forgiven. As of December 31, 2020, LAWNY recognized \$1,755,700 towards eligible expenses and is included as grant income in the accompanying statement of activities.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Financial Statements, Continued

(8) Pension Plan

LAWNY has an employee retirement plan covering substantially all employees who work at least 17.5 hours per week. The plan is qualified as tax exempt by the Internal Revenue Service. Contributions to the plan are discretionary and are determined by the LAWNY Board of Directors. The plan was funded in the amount of \$129,895 and \$125,435 for the years ended December 31, 2020 and 2019, respectively.

(9) Net Assets Released from Donors Restrictions

Net assets were released from donor restrictions by incurring expenses in satisfaction of program restrictions for the year ended December 31, 2020 as follows:

LSC programs	\$ 1,772,846
Interest on lawyer accounts	1,272,691
AmeriCorps	213,983
Public defenders	376,453
Disability Law Project	497,439
Fair Housing Initiative Program	306,870
Other programs	<u>6,386,611</u>
Total net assets released from restrictions through satisfaction of program restrictions	\$ <u>10,826,893</u>

(10) Recipient Fund Balance

LAWNY, as a stipulation in its contract with LSC, may not expend LSC funds carried over from one year to the next in excess of 10% of LSC support. However, due to the COVID-19 Pandemic, LSC has issued a blanket waiver to all LSC funded agencies, allowing carryover of any excess LSC funds for the year ended December 31, 2020.

(11) Private Attorney Involvement

LAWNY, as a stipulation of its contract with LSC, is required to expend an amount equal to at least 12.5% of its LSC annualized basic field award towards a Private Attorney Involvement Program (PAI). For 2020, 12.5% of LSC's basic field award of \$2,003,267 amounted to \$250,408. During 2020, LAWNY expended \$251,414 (12.6%) for this purpose. A summary of PAI related expenditures for 2020 is as follows:

Personnel	\$ 163,381
Contract services to client	72,185
Occupancy	6,899
Other	<u>8,949</u>
Total PAI related expenditures	\$ <u>251,414</u>

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Financial Statements, Continued

(11) Private Attorney Involvement, Continued

LAWNY awarded \$72,185 of LSC funds to Volunteer Legal Services Project of Monroe County, Inc. (VLSP) which is included above in contract services to client. VLSP has agreed to provide legal representation through volunteers to not less than 120 persons and brief assistance, consultation and advice to not less than 545 persons in Monroe County who meet financial and other eligibility criteria, as established by LSC.

(12) Functional Expenses

LAWNY provides legal assistance in non-criminal proceedings or matters to persons financially unable to afford legal assistance in the Western New York area. All expenses related to providing these services have been allocated to program services with the exception of certain administrative expenses. Salaries and benefits are allocated among programs and support services based on time and effort. Office and other expenses are allocated based on direct usage.

(13) Commitments

LAWNY leases office space located in Rochester, Geneva, Olean, Elmira, Lyons, Lakeville, Jamestown, Seneca Falls and Ithaca, New York under operating leases that expire at various dates through November 2025. Total rent expense amounted to \$483,187 and \$469,319 for the years ended December 31, 2020 and 2019, respectively, and is included in occupancy expense in the accompanying statement of functional expenses. The following is a schedule of future minimum rental payments required under these lease arrangements:

2021	\$ 337,287
2022	329,039
2023	143,691
2024	134,919
2025	<u>60,963</u>
	\$ <u>1,005,899</u>

(14) Economic Dependency

A material part of LAWNY's funding is dependent upon a few grants, the loss of any one would have a material adverse effect on LAWNY. For the years ended December 31, 2020 and 2019 Legal Service Corporation (LSC), New York State Interest on Lawyer Account Fund (IOLA) and New York State Office of Court Administration (OCA) programs accounted for 45% and 58%, respectively, of LAWNY's total revenue.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
Statement of Revenue, Expenses and Changes in Net Assets for LSC Funds
Year ended December 31, 2020

	<u>Basic Field Grant</u>	<u>Private Attorney Involvement</u>	<u>Pro Bono Initiative Fund Grant</u>	<u>Telework Grant</u>	<u>COVID-19 Response Grant</u>	<u>Other LSC</u>	<u>Property</u>	<u>Total</u>
Revenue:								
Contributions	\$ 1,751,853	251,414	151,101	17,345	65,591	-	-	2,237,304
Interest income	-	-	-	-	-	360	-	360
Other	-	-	-	-	-	-	-	-
Total revenue	<u>1,751,853</u>	<u>251,414</u>	<u>151,101</u>	<u>17,345</u>	<u>65,591</u>	<u>360</u>	<u>-</u>	<u>2,237,664</u>
Expenses:								
Personnel expenses:								
Lawyers	150,433	114,530	57,500	-	-	-	-	322,463
Paralegals	60,230	7,938	50,000	-	-	-	-	118,168
Other staff	153,053	3,210	3,654	-	-	-	-	159,917
Payroll taxes and employee benefits	438,564	37,703	31,123	-	-	-	-	507,390
Total personnel expenses	<u>802,280</u>	<u>163,381</u>	<u>142,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,107,938</u>
Other expenses:								
Occupancy	176,685	6,899	-	-	31,023	-	-	214,607
Equipment rental and maintenance	18,821	256	-	-	-	-	-	19,077
Office supplies and expenses	45,255	1,951	4,924	-	23,819	-	-	75,949
Telephone and internet	32,812	1,483	1,210	16,408	7,502	-	-	59,415
Travel	10,734	447	940	-	2,692	-	-	14,813
Training	19,221	370	1,750	-	-	-	-	21,341
Library	25,060	655	-	-	-	-	-	25,715
Insurance	38,918	650	-	-	-	-	-	39,568

(Continued)

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
Statement of Revenue, Expenses and Changes in Net Assets for LSC Funds, Continued

	<u>Basic Field Grant</u>	<u>Private Attorney Involvement</u>	<u>Pro Bono Initiative Fund Grant</u>	<u>Telework Grant</u>	<u>COVID-19 Response Grant</u>	<u>Other LSC</u>	<u>Property</u>	<u>Total</u>
Expenses, continued:								
Other expenses, continued:								
Dues and fees	\$ 476	274	-	-	-	-	-	750
Professional fees	10,883	-	-	-	-	-	-	10,883
Litigation	2,164	31	-	-	-	-	-	2,195
Contract services to clients	-	72,185	-	-	-	-	-	72,185
Contract services to program	90,331	2,832	-	937	-	-	-	94,100
Depreciation	-	-	-	-	-	-	9,221	9,221
Other	4,534	-	-	-	555	-	-	5,089
Total other expenses	<u>475,894</u>	<u>88,033</u>	<u>8,824</u>	<u>17,345</u>	<u>65,591</u>	<u>-</u>	<u>9,221</u>	<u>664,908</u>
Total expenses	<u>1,278,174</u>	<u>251,414</u>	<u>151,101</u>	<u>17,345</u>	<u>65,591</u>	<u>-</u>	<u>9,221</u>	<u>1,772,846</u>
Change in net assets	473,679	-	-	-	-	360	(9,221)	464,818
Net assets (deficit) at beginning of year	<u>(46,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,766</u>	<u>46,963</u>	<u>16,736</u>
Net assets at end of year	<u>\$ 426,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,126</u>	<u>37,742</u>	<u>481,554</u>

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
 Schedule of Expenditures of Federal Awards
 Year ended December 31, 2020

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Legal Services Corporation (1) (Grant #233130)	9.233130	233130	\$ 1,931,082	72,185
Legal Services Corporation (COVID Telework Grant)	9.233130	233130	17,345	-
Legal Services Corporation (COVID Response Grant)	9.233130	233130	65,591	-
Legal Services Corporation (Pro Bono Innovation Fund)	9.233130	PB18029	<u>151,101</u>	<u>-</u>
			<u>2,165,119</u>	<u>72,185</u>
U.S. Department of Health and Human Services:				
Passed through the NYS Office for the Aging -				
Special Programs for the Aging Title III, Part B -				
Grants for Supported Services and Senior Centers				
further passed through the organizations and				
counties of:				
	93.044	Not available		
Monroe County			100,545	-
Livingston County			23,910	-
Ontario County			35,592	-
Proaction of Steuben & Yates Counties			16,308	-
Seneca County			10,081	-
Wayne County			35,726	-
Tioga Opportunities, Inc.			2,522	-
Tompkins County			536	-
Chautauqua County - Jamestown Office of Aging			<u>22,000</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>247,220</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Fair Housing Initiative Program (1)	14.408	FH700G13068	261,157	-
Fair Housing Education and Outreach Program (1)	14.408	FH700G13068	45,713	-
Passed through the City of Rochester, Office				
of Human Services - Community Development				
Block Grants - further passed through - Legal				
Aid Society of Rochester				
	14.225	B15MC36003	73,135	-
Passed through the NYS Office of Temporary				
and Disability Assistance - Solutions to End				
Homelessness Program				
	14.231	C021835	<u>207,681</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>587,686</u>	<u>-</u>

(Continued)

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Agriculture - passed through NYS Department of Health - further passed through Hunger Solutions New York - State Administrative Matching Grants for Special Nutrition Assistance Program:				
Supplemental Nutrition Assistance Program	10.561	Not available	\$ 270,840	-
Grants for Women, Infants and Children	10.557	Not available	<u>51,893</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>322,733</u>	<u>-</u>
U.S. Department of Justice:				
Legal Assistance for Victims	16.524	2012-WL-AX-0009	98,904	-
Passed through NYS Division of Criminal Justice Services:				
Violence Against Women Formula Grants	16.588	T553147	31,025	-
Further passed through County of Livingston, Office of District Attorney - Violence Against Women Formula Grants	16.588	Not available	<u>979</u>	<u>-</u>
Total U.S. Department of Justice			<u>130,908</u>	<u>-</u>
Corporation for National and Community Services:				
Passed through NYS Office of Children and Family Services - State Commissions	94.003	C027004	<u>213,983</u>	<u>-</u>
VOCA Crime Victim Assistance - passed through NYS Office of Victims Services further passed through:				
Arbor Housing and Development	16.575	Not available	108,970	-
Cattaraugus Community Action	16.575	Not available	108,000	-
Chautauqua County	16.575	Not available	124,571	-
Empire Justice Center	16.575	Not available	84,071	-
Family Counseling of the Finger Lakes	16.575	Not available	1,400	-
Safe Harbors of the Finger Lakes	16.575	Not available	88,703	-
The Salvation Army Safehouse	16.575	Not available	93,749	-
Victim Resource Center	16.575	Not available	<u>68,000</u>	<u>-</u>
Total VOCA Crime Victim Assistance			<u>677,464</u>	<u>-</u>
Total federal financial assistance			<u>\$ 4,345,113</u>	<u>72,185</u>

(1) Direct federal award

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.

Notes to Schedule of Expenditures of Federal Awards

December 31, 2020

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards presents the activities of all federal awards programs administered by Legal Assistance of Western New York, Inc. (LAWNY). Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the schedule of expenditures of federal awards.

(2) Basis of Accounting

The information is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

(3) Relationship to Basic Financial Statements

Federal award expenditures are reported on the statement of functional expenses as program services and any related allowable general and administrative expenses under the category of management and general expenses. In certain programs, the expenditures reported in the financial statements may differ from the expenditures reported in the Schedule of Expenditures of Federal Awards due to program expenditures exceeding grant or contract budget limitations, matching or in-kind contributions or capitalization policies required under accounting principles generally accepted in the United States of America.

(4) Indirect Costs

LAWNY reserves the right to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITORS' 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

The Board of Directors
Legal Assistance of Western New York, Inc.:

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 Assistance of Western New York, Inc. (LAWNY), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated April 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LAWNY'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 LAWNY's internal control. Accordingly, we do not express an opinion on the effectiveness of LAWNY'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 LAWNY'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 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether LAWNY's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LAWNY's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering LAWNY's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 26, 2021

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

The Board of Directors
Legal Assistance of Western New York, Inc.:

Report on Compliance for Each Major Federal Program

We have audited the Legal Assistance of Western New York, Inc.'s (LAWNY) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on LAWNY's major federal programs for the year ended December 31, 2020. LAWNY's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of LAWNY's major federal program based on our audit of the types of compliance requirements referred to above. 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LAWNY's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of LAWNY's compliance.

Opinion on Each Major Federal Program

In our opinion, Legal Assistance of Western New York, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of LAWNY is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered LAWNY's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LAWNY's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 26, 2021

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
 Schedule of Findings and Questioned Costs
 Year ended December 31, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

- | | | | | |
|--------------------------------------------------------------------------------------------------------------------|-------|------------|-----|---------------|
| Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: | | Unmodified | | |
| Internal control over financial reporting: | | | | |
| • Material weakness(es) identified? | _____ | Yes | _x_ | No |
| • Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ | Yes | _x_ | None reported |
| • Noncompliance material to financial statements noted? | _____ | Yes | _x_ | No |

Federal Awards:

- | | | | | |
|--------------------------------------------------------------------------------------|-------|-----|-----|---------------|
| Internal control over major programs: | | | | |
| • Material weakness(es) identified? | _____ | Yes | _x_ | No |
| • Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ | Yes | _x_ | None reported |

- | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------|-------|------------|-----|----|
| Type of auditors' report issued on compliance for major programs: | | Unmodified | | |
| • Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? | _____ | Yes | _x_ | No |
| • LAWNY's major program audited was: | | | | |
| • Legal Services Corporation - Basic Field Grant, CFDA Number 9.233130 | | | | |
| • The dollar threshold for distinguishing between Type A and B programs was \$750,000. | | | | |
| • Auditee qualified as low-risk auditee? | _____ | Yes | _x_ | No |
| • Due to the restrictions imposed by LSC, LSC recipients cannot be considered a low-risk auditee. | | | | |

SECTION II - FINANCIAL STATEMENTS FINDINGS

There were no findings.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs.

LEGAL ASSISTANCE OF WESTERN NEW YORK, INC.
Status of Prior Year Audit Findings
December 31, 2020

There were no audit findings with regard to the prior year financial statements (December 31, 2019).